DOCUMENT RESUME

ED 478 135 CE 085 071

AUTHOR	Nyhan, Barry; Cressey, Peter; Tomassini, Massimo; Kelleher, Michael; Poell, Rob
TITLE	Facing Up to the Learning Organisation Challenge: Key Issues from a European Perspective. Volume I. CEDEFOP Reference Series.
INSTITUTION	European Centre for the Development of Vocational Training, Thessaloniki (Greece).
REPORT NO	TI-20-02-001-EN-C
ISBN	ISBN-92-896-0203-1
ISSN	ISSN-1680-7089
PUB DATE	2003-00-00
NOTE	112p.; For Volume II, see CE 085 072.
AVAILABLE FROM	Bernan Associates, 4611-F Assembly Drive, Lanham, MD 20706-4391 (#3028 EN, 40 Euro for both volumes). Tel: 800-274-4447 (Toll Free); e-mail: query@bernan.com, Web site: http://www.bernan.com.
PUB TYPE	Information Analyses (070)
EDRS PRICE	EDRS Price MF01/PC05 Plus Postage.
DESCRIPTORS	Adult Education; Constructivism (Learning); Cultural Context; Education Work Relationship; Educational Cooperation; Educational Policy; Educational Research; *Experiential Learning; Foreign Countries; Holistic Approach; Job Training; *Labor Force Development; *Lifelong Learning; Organizational Culture; *Organizational Development; Organizational Effectiveness; Organizations (Groups); School Business Relationship; Social Values; Vocational Education
IDENTIFIERS	*Europe; *Learning Organizations; Sense Making Approach

ABSTRACT

This first volume of a two-volume publication provides an analytical overview of main questions emerging from recent European research and development projects related to the learning organization. Chapter 1 provides context for the European learning organization challenge and presents four main messages arising from the learning organization project. Chapter 2 proposes the European social model as providing a societal value framework that can give meaning to the learning organization concept from a European perspective. Chapters 3-4 identify main points emerging from the individual papers that formed the impetus for the learning organization project and attempt to discuss the issues raised against the background of an organizational learning interpretative framework. Chapter 3 argues that building learning organizations is not so much a process of applying a theory to practice, but rather a constructivist process of building a practice based on shared meaning arrived at through a collective deliberation and sense-making process. Chapter 4 stresses the need to focus on the organization in all its complexity as a holistic and organic working and learning system. Chapter 5 argues organizations can only be sustained in a form of cooperative-competition with other organizations and institutions representing different interest groups in society. Appendixes include 155 references and Volume II chapter summaries. (YLB)

Reproductions supplied by EDRS are the best that can be made
from the original document.

CEDEFOP

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

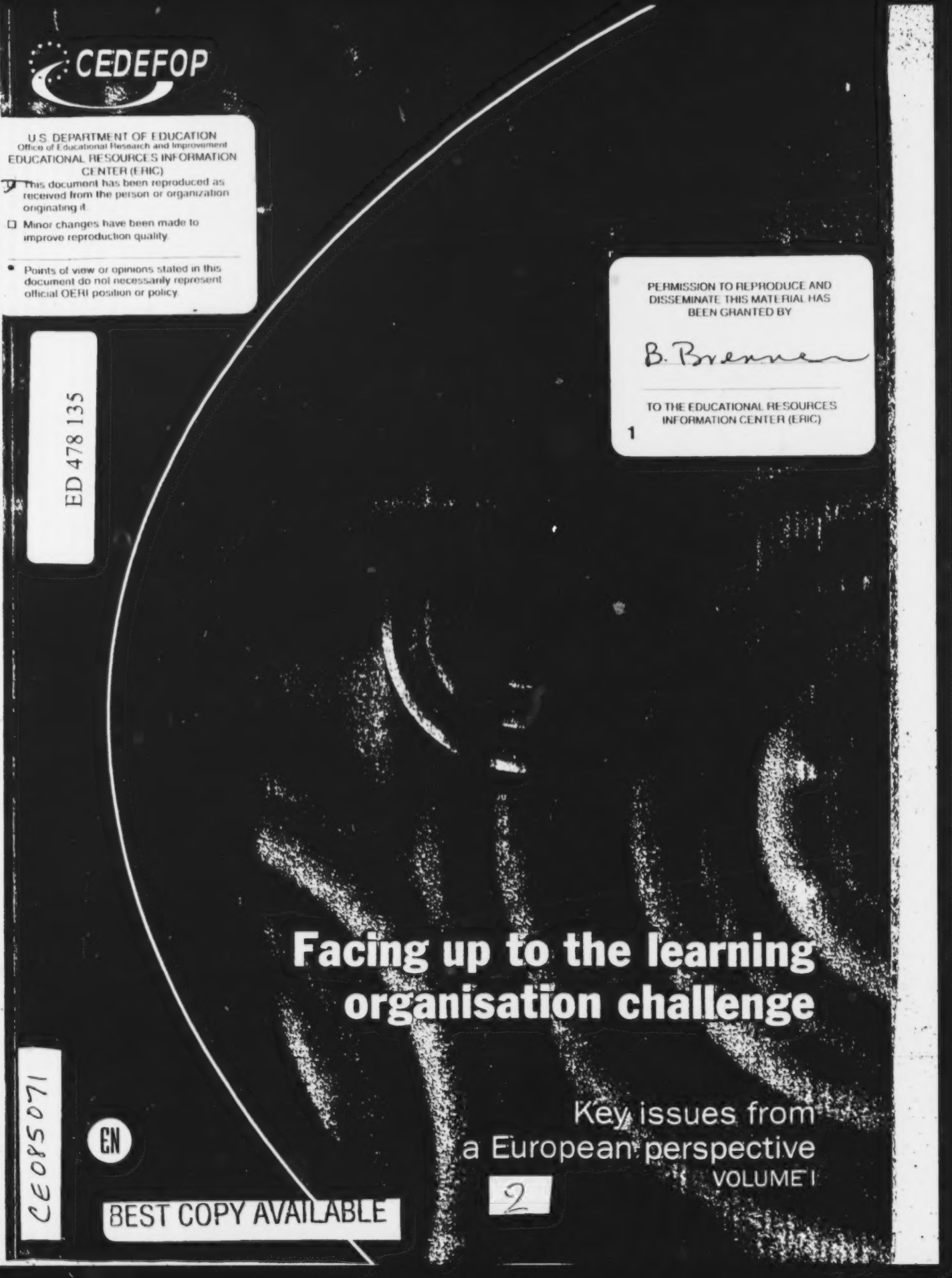
ED 478 135

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

B. Brennen

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1



Facing up to the learning organisation challenge

Key issues from a European perspective

VOLUME I

2

CE0850711

EN

BEST COPY AVAILABLE

Facing up to the learning organisation challenge

Key issues from a European perspective

VOLUME I

Barry Nyhan
Peter Cressey
Massimo Tomassini
Michael Kelleher
Rob Poell

Cedefop Reference series; 41-I

Luxembourg: Office for Official Publications of the European Communities, 2003

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (http://europa.eu.int).

Cataloguing data can be found at the end of this publication.

Luxembourg:
Office for Official Publications of the European Communities, 2003

ISBN 92-896-0203-1
ISSN 1680-7089

©European Centre for the Development of Vocational Training, 2003
All rights reserved.

Designed by Colibri Ltd. – Greece
Printed in Belgium

The **European Centre for the Development of Vocational Training** (Cedefop) is the European Union's reference Centre for vocational education and training. We provide information on and analyses of vocational education and training systems, policies, research and practice. Cedefop was established in 1975 by Council Regulation (EEC) No. 337/75.

Europe 123
GR-570 01 Thessaloniki (Pylea)

Postal address: PO Box 22427
GR-551 02 Thessaloniki

Tel. (30) 23 10 49 01 11, Fax (30) 23 10 49 00 20
E-mail: info@cedefop.eu.int
Homepage: www.cedefop.eu.int
Interactive website: www.trainingvillage.gr

Acknowledgements

The authors would like to express their gratitude to the following people for their support for the Cedra learning organisation project and for their comments on different drafts of this book – Pascaline Descy, Hans-Werner Franz, Pekka Kämäräinen, Søren Kristensen, Ioanna Nezi, Martina Ni Cheallaigh, Manfred Tessaring. A special word of thanks is also due to Rauni Puurunen for her painstaking work in formatting and laying out the text in preparation for publication.

Edited by: **Cedefop**
Barry Nyhan, *Project manager*

Published under the responsibility of:
Johan van Rens, *Director*
Stavros Stavrou, *Deputy Director*

Table of contents

	Executive summary	3
	Preface	6
	Authors	8
Chapter 1	**Introduction – facing up to the European learning organisation challenge**	**9**
	1.1. Learning organisations – key elements of the 'knowledge-based economy' and the 'European area of lifelong learning'	11
	1.2. Critiques of the learning organisation	12
	1.3. Addressing the critiques – the learning organisation as a way of dealing with competing interests	13
	1.4. The double-sidedness of the learning organisation – 'a process of becoming' and 'a state of being'	18
	1.5. Towards a new agenda – engaging all the actors	19
	1.6. A European agenda – fostering shared meaning	21
	1.7. Key messages	22
	1.8. What is in the remaining chapters of this book?	26
Chapter 2	**The learning organisation in a European context**	**28**
	2.1. European organisations and work cultures	28
	2.2. 'European social model' – fostering good and flexible work organisations and lifelong learning	29
	2.3. European roots of the learning organisation concept – human resourcefulness and participation	31
	2.4. The European learning organisation agenda today	36
Chapter 3	**Issues, dilemmas and tensions in building learning organisations**	**38**
	3.1. Introduction	38
	3.2. Managing the dynamics between 'structure' and 'culture'	43
	3.3. Managing learning at the individual and organisational levels	51
	3.4. Closing remarks	58

Chapter 4	**Taking up and staying with the learning organisation challenge**		**60**
	4.1.	Introduction	60
	4.2.	Key principles for productive learning	61
	4.3.	Developmental work and learning – prerequisites for organisational learning	64
	4.4.	Creating a culture of learning – who leads the learning organisation?	71
	4.5.	The role of HRD and VET in promoting the learning organisation – challenges and opportunities	72
	4.6.	Closing remarks	76
Chapter 5	**Concluding comments - taking the agenda forward**		**77**
	5.1.	The complexity involved in building learning organisations	78
	5.2.	Cross-disciplinary research – integrating organisational and learning theories	79
	5.3.	Inter-organisational learning in the learning economy	81
	5.4.	The role of research	83
	5.5.	Final comment	84
References			**85**
Annexes	1.	Summaries of individual chapters in *Volume II - Facing up to the learning organisation challenge-selected European writings*	94
	2.	The learning organisation and the learning economy	104

Executive summary

This book provides an analytical overview of the main questions emerging from a number of recent European research and development projects related to the topic of the learning organisation. It attempts to elucidate the issues, dilemmas and challenges arising from these research projects with the view to assisting policy makers – from employer, trade union and government backgrounds – to devise policies that will promote learning at work.

The book is the first of two complementary volumes, published together as a set. The second volume (Volume II) contains 15 papers written in the framework of the above mentioned research projects. A summary outline of each of these individual papers is presented in Annex 1 of this publication. These two volumes are published in the context of a 'Cedefop research arena' (Cedra) knowledge development initiative which has become known as the 'Cedra learning organisation project'.

The writing of this book entailed bringing together a small team of researchers from different European countries and research disciplinary backgrounds - the authors of this book - to assemble, edit and reflect together on the above mentioned research projects. As well as drawing on the results of the above research projects and other literature, the authors also gave themselves the ambitious goal to come up with an interpretative framework for understanding the key issues.

The rationale for carrying out this work is the belief that the European goals related to 'lifelong learning' and the creation of a knowledge-based society can only be attained if the organisations in which people work are also organisations in which they learn. This means that work organisations must become, at the same time, learning organisations.

In reviewing the current state of learning organisation thinking in Europe we must take steps towards addressing a new agenda. While keeping in mind that the educational and humanistic dimension is central to the *European social model*, the agenda-setting must follow a path based on negotiation and agreement about how businesses can become competitive while at the same enhance the quality of people's learning at work. The aim is to enable organisations to become more effective and the individual members of these organisations to find meaning in what they are doing and thus gain personal learning benefits.

This book (and the Cedra project it is reporting on) has four main messages.

The first is that in order to build learning organisations, one has to ensure that: a) there is coherence between the 'tangible' (formal) and 'intangible' (informal) dimensions of an organisation; and b) that organisational learning goals are reconciled with individuals' learning needs. The complexity involved in ensuring the right balance between these different and often competing dimensions, means that in the final analysis one cannot realistically expect more than the implementation of incomplete or imperfect learning organisations. However, this does not in any way negate the validity of the quest to reconcile these competing but 'real' factors. On the contrary, it calls for enlightened leadership from decision-makers and management and requires the skilled interventions of committed organisational learning professionals. In the *realpolitik* the key issue is the promotion of organisations that, in a context of shifting priorities and volatile economic environments, can somehow sustain the right balance between work demands and learning demands. This calls for bottom-up, problem centred and non-ideological learning coalitions involving all of the stakeholders within an organisation.

The second key message is that developmental or challenging work is a prerequisite for implementing a learning organisation. One of the keys to promoting learning organisations is to organise work in such a way that it promotes human development. In other words it is about building workplace environments in which people are motivated to think for themselves so that through their everyday work experiences, they develop new competences and gain new understanding and insights. Thus, people are learning from their work - they are learning as they work.

The third message is that the provision of support and guidance is essential to ensure that developmental work leads to developmental learning. A condition for developmental learning is that people are supported and guided while undertaking their developmental work tasks to ensure that these become opportunities for learning. So, for example, while an appropriate amount of stress is conducive and indeed necessary for learning, too much stress, brought on by overwhelming tasks or too much uncertainty, can block learning. Good management and leadership are necessary to ensure that work is planned in a way that people are stretched but at the same time are able to cope with the demands. In this regard, support for planning and reflection is essential. This means that people have space and time to reflect on their work in a learning mode, through receiving supportive feedback on what they are doing and how they are doing it - both positive and negative -

and receiving teaching, training, coaching and guidance as a regular part of their work. From an organisational learning point of view, reflection activities need to take place in collective learning settings so that people can engage in finding common meanings in making sense of the collective work they are doing.

The fourth key message is that to address organisational learning there is a need for boundary-crossing and interdisciplinary partnerships between the vocational education and training and human resource development communities. The wide and complex notion of learning that is implied in the concept of the learning organisation draws attention to issues that are normally considered to be outside of the realm of education and training, such as how organisations are designed, developed and managed. Indeed, the very concept of organisational learning is foreign to the vocabulary of most of those involved in vocational education and training, for whom learning is very much a formal, individualistic matter. It is argued in this book that vocational education and training must engage more with learning in untidy social environments in, for example, small enterprises and in different sorts of socio-economic 'real-life' contexts. This is a more complex and unstructured form of learning dealing with the relationships between business strategies, technological development, social innovation, winning peoples'commitment and harnessing their skills. Organisational learning is about applied learning and supporting 'practices' where 'non-professional training and HRD' actors - managers and team leaders - facilitate learning while people are working. All of the professional education and training actors concerned with the business of work-related learning have to rethink their positions to respond to the challenge of organisational learning. This entails a re-evaluation of vocational education and training and also human resource development practices and strategies.

Preface

The European Union has outlined key visionary goals to become a 'knowledge based economy' and to 'make a European area of lifelong learning a reality'. The implementation of these goals has major implications for the field of vocational education and training, in particular continuing education and training.

This area of education and training can only be addressed through closer cooperation between all of the actors who have a stake in promoting non-formal and informal learning that takes place at work. Much of this learning occurs through undertaking work-based tasks and receiving support to learn from them.

Addressing the goal of work-related learning in a lifelong learning context requires close linkages between the more societal oriented vocational education and training (VET) policies - addressing education as a social goal - and the enterprise based human resource development (HRD) measures that deal with learning mainly from the point of view of the company. In order to foster a more complementary relationship between these two socio-economic pillars, it is necessary to come up with a common language about the aims and nature of learning and to devise ways in which the interests of both groups can be met.

European research has a key role to play in assisting these respective groups to identify and agree on common interests and to experiment with ways that they can complement each other's efforts in promoting learning at work. Numerous European research and development projects have taken place in recent years, focusing on how different actors from vocational education, human resource development and adult education backgrounds can cooperate in fostering learning in the workplace.

Cedefop, which has been accompanying and supporting many of these projects in the framework of the Cedefop Research Arena (Cedra), established the 'Cedra learning organisation project' as a way of drawing together the results of these projects. The concept of the 'learning organisation' was seen to be a useful framework for bringing together projects that were dispersed in different European programmes but shared a common interest in looking at how people can learn in and through work.

This book, which is the first part of a double-volume publication, presenting the results of this Cedra project, has a twofold objective. In the first place, it sets out to provide an overview of the main issues emerging from these different research projects. However, it also attempts to go beyond a synthesis in putting forward new frameworks to develop our knowledge base regarding this theme. The companion volume to this book (Volume II) includes 15 papers presenting the research work undertaken in the separate research projects.

The overall aim of this Cedra project is to respond to one of Cedefop's goals, which is to promote the capitalisation of European research. Hopefully, this exercise in knowledge sharing will stimulate debate among the actors and thus make a contribution towards the development of new policies and practices in the area of learning at work.

Stavros Stavrou
Deputy Director

Barry Nyhan
Project Manager

112

Authors

Barry Nyhan
Cedefop - European Centre for the
Development of Vocational Training
P.O. Box 22427
GR - 55102 Thessaloniki, Greece
bn@cedefop.eu.int

Peter Cressey
School of Social Sciences
University of Bath
Claverton Down
Bath BA2 7AY, United Kingdom
hsspc@bath.ac.uk

Massimo Tomassini
ISFOL-Istituto per lo sviluppo della
formazione professionale dei lavoratori
Via Morgagni 33
I -00195 Roma, Italy
m.tomassini@isfol.it

Michael Kelleher
(former General Secretary of ECLO, 1996-2001)
Learning Futures Ltd
The Hollies, Foundry Road
Abersychan NP4 7EL, United Kingdom
michael.kelleher@learningfutures.co.uk

Rob Poell
Tilburg University
Department of Human Resource Sciences
PO Box 90153
NL - 5000 LE Tilburg, The Netherlands
R.Poell@uv.nl

13 2. 6

CHAPTER 1

Introduction – facing up to the European learning organisation challenge

This book is concerned with the construction of work environments that foster innovation and learning for the benefit of all – the individuals working in organisations, the 'organisations' themselves and society. It is about facing up to the European challenge to build work organisations that are both economically efficient and good places to work and learn – in other words, learning organisations.

The book sets out to convey and interpret what is happening in recent European research and development work from the point of view of the renewal and repositioning of vocational or professional education and training and human resource development. It attempts to elucidate the issues, dilemmas and challenges arising from a number of research projects with the view to assisting policy makers – from employer, trade union and government backgrounds – to devise policies that will promote learning at work.

This book is the first of two complementary volumes, published together as a set. The main title of both volumes is the same – *Facing up to the learning organisation challenge*. This volume (Volume I) has the sub-title *key issues from a European perspective* – and attempts to provide an analytical overview of the main questions emerging from a number of recent European research and development projects related to the topic of the learning organisation and organisational learning (1). The second volume (Volume II) contains 15 papers written in the framework of the above mentioned research

(1) These projects have been undertaken in the framework of the following European Union research and development programmes/actions - a) *4th and 5th European research framework programmes*; b) *Leonardo da Vinci action programme* for the development of vocational education and training policies; c) *Adapt programme* dealing with the development of employment policies to respond to industrial change; d) the *Marie Curie 'researcher mobility programme'*, and e) the *Cedefop Research Report*.

projects. A summary outline of each of these individual papers is presented in Annex 1 (2). The sub-title of Volume II is *selected European writings*.

These two complementary volumes are published in the context of a 'Cedefop research arena' (Cedra) knowledge development initiative which is referred to throughout this text as the 'Cedra learning organisation project' (3). This entailed bringing together a small team of researchers from different European countries and research disciplinary backgrounds – the authors of this book – to assemble, edit and reflect together on the papers (in Vol. II) with the view to identifying underlying patterns regarding the issues raised, and discussing the dilemmas encountered and barriers faced concerning the implementation of the learning organisation concept. In carrying out this task, as well as drawing on the above mentioned research reports and other literature and resources, the authors also gave themselves the ambitious objective of coming up with new conceptual frameworks that make sense of, and go beyond, the material presented in the above mentioned papers. The collective reflections on these by the authors of this book triggered some new knowledge development about the concept of the learning organisation which in turn can be placed on a new European agenda relating to this topic.

(2) The research papers, that provide the launching pad for the work undertaken in writing Vol.I, have been specially revised and some of them substantially rewritten for publication in Vol. II. Many of these papers have their origins in the European Union research network project - 'Forum for European research in vocational education and training' that has been coordinated by the *Institut fur Technik und Bildung* of the University of Bremen (see: http://www.itb.uni-bremen.de/projekte/forum/Forum_framesets.htm). Another major source of material has been the 'Partnership and Investment in Europe project - the role of social dialogue in human resource development' (known as PIE). This project that was funded by the EU Leonardo da Vinci programme, was coordinated by the European Consortium for the Learning Organisation (ECLO). This consortium, founded in 1992 and comprising company managers, consultants and researchers, is coordinated from its main office in Belgium (see http://www.eclo.org).

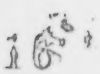
(3) One of the objectives of Cedra is to bring together researchers who have been working on separate but related European research projects, to collaborate in carrying out a knowledge-sharing/development project. Thus, as well as valorising existing work, new 'value-added' resources, such as networks and publications, in book and web formats, are produced that lay the ground for wider networks and knowledge development activities (for more information on Cedra, see http://www2.trainingvillage.gr/etv/cedra). In carrying out the 'Cedra learning organisation project' Cedefop received expert assistance from a team of researchers that was assembled by the European Consortium for the Learning Organisation (ECLO).

1.1. Learning organisations – key elements of the 'knowledge-based economy' and the 'European area of lifelong learning'

The Lisbon EU Summit of the European Council in 2000 declared that one of the strategic goals for the European Union over the next decade is to become 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion'. In 2001, the European Commission published a Communication entitled '*Making a European area of lifelong learning a reality*' the aims of which are to meet the goals of an expanding European Union 'to be more prosperous, inclusive, tolerant and democratic' (European Commission, 2001: p.3). Most learning – for good or for bad – takes place in everyday life and work social situations. In other words, most of our learning is informal learning taking place in a variety of social contexts. Consequently, unless the social systems – the families, communities and organisations – in which people live and work provide an environment for developing their potential and resourcefulness, then the lifelong learning goal cannot be achieved. In this respect the Communication goes on to state that in the context of creating a 'culture of learning across Europe that there is a need 'to develop learning communities, cities and regions' (p.21).

Work carried out in small and large organisations, plays a very important part in people's lives. Therefore, learning from an economic, human and social point of view has to be embedded in the fabric of all work organisations. The Commission's Communication goes on to state that 'it is essential to promote actively the development of learning at the workplace and for enterprises and other organisations to become learning organisations' (p.21).

The European political educational goals of 'lifelong learning' and the creation of 'knowledge societies' or 'knowledge economies' can only be attained if the organisations in which people work are also organisations in which they are learning. So, work organisations must become, at the same time, learning organisations.



1.2. Critiques of the learning organisation

Despite the wide interest in the concept of the 'learning organisation' as is evidenced by the proliferation of research literature as well as popular books, it is a problematic concept and, indeed, a contested one. (See in particular the papers of Brown and Keep 2003 and Fischer, 2003.)

There is criticism among many sociologists and researchers in adult and community education but also in the vocational education and training community, for example in Germany (see Fischer, 2003). They see the concept of the learning organisation as being rooted in a normative or prescriptive business-school management concept that is founded on hard-nosed American/Anglo-Saxon economic principles of organisational effectiveness. They criticise the use of sophisticated cultural and psychological theories by modern management to maximise benefits for the company without paying a great deal of attention to ensuring personal learning benefits for employees or workers.

This critique is reinforced by a feeling of being let down by the n fulfilment of the optimistic forecasts in the 1980s concerning the emergence of more human-centred workplaces in the post-Tayloristic era that would improve the quality of working life for everybody (see Piore and Sabel, 1984). They point out that the reality for many workers, today, is a reincarnation of taylorism in the form of neo-taylorism or perhaps disguised in the form of 'lean-production' or 'flexible working'. This feeling is also related to a sense of disillusionment about the potential of ICT not being exploited to create more autonomy and freedom at work, as predicted by many commentators. In many situations the opposite is the case, with ICT being used as an instrument for the introduction of new types of bureaucracy and control.

The lack of evidence of examples of organisations illustrating, in an empirical verifiable manner, the implementation of learning organisation theory is also cited as a reason for discrediting the conceptual validity or practical usefulness of the concept (see discussion on this point in Cressey and Kelleher, 2003 and also Fischer, 2003). The learning organisation concept is rejected, therefore, by these critics as nothing more than a decontextualised theory – a catchphrase – that has been popularised in management literature as a formula or recipe for instant success.

Furthermore, other critics point out that regardless of the arguments about the validity of the learning organisation concept, it is now seen to be out of date with the interest in it having peaked during the mid 1990s and now being replaced by theories of knowledge management (Brown and Keep, 2003).

t. 117

For some or all of the above reasons, the concept of the learning organisation has not been taken on board by many in the educational community. They tend to be highly sceptical about engaging with the learning organisation concept, which they firmly locate within the framework of hard-nosed HRM and HRD theory. Extreme critics see it to be nothing more than an effort by management to delude people into becoming 'organisational men and women'. For these it is a discredited concept and merely a controlling device (see Sennett, 1998).

1.3. Addressing the critiques – the learning organisation as a way of dealing with competing interests

As already stated, some of the above criticisms were voiced by contributors to the Cedra learning organisation project. They raise serious issues that need to be addressed. However, most of the contributors to this project counter the extreme criticisms in arguing for the validity and relevance of the learning organisation concept as a way of understanding and dealing with the complex and competing interests that have to be addressed within organisations. This book proposes that it is imperative to continue research and development work on organisational learning in order to harness human creativity for organisational competitiveness *as well as* ensure learning benefits for everybody working in organisations.

However, this is not to deny that the task of addressing the competing interests of *the organisation* and the *individual workers* is very difficult to achieve. Work is an enormously important but problematic aspect of people's lives. Indeed, the difficulties for both individuals and organisations are accentuated in today's turbulent economic environment that is characterised by growing competition, globalisation, mergers and acquisitions, and job insecurity in the private sector, and privatisation and outsourcing in the public sector. However, the complexity and the delicate balancing act that is entailed in implementing the learning organisation concept – and as rightly pointed out by critics does not come off in many cases – is no more than a reflection of the complexity of the environment that we are living in. Thus, while recognising the difficulties in reconciling business, organisational and individual needs in the context of building learning organisations, it is argued that the challenge of the learning organisation must be addressed. (Also see Nyhan and Kelleher, 2002.)

However, we must move onto a new agenda in the current stage of the development of the 'European project' which takes up some of the questions raised by critics but also challenges them to evaluate their assumptions and reflect on those criticisms that are misplaced. While keeping in mind that the educational and humanistic dimension is central to the *European social model*, the agenda-setting must follow a path based on negotiation and agreement about shared meanings and interests regarding how businesses can operate in the competitive environment while also enhancing the quality of people's learning at work. The aim is to enable organisations to become more effective and the individual members of these organisations to find meaning in what they are doing and thus realise their potential on behalf of the organisation but also for their own benefit.

This entails building work organisations in which the vast majority of individuals, in particular, in the context of vocational education and training (VET) – intermediate level and front-line workers – and not just managers, are participating in, contributing to and benefiting from learning organisations. It means establishing new relationships between the wider social goals of vocational/professional education and the more business focused goals of human resource development (HRD) that relate to the economic goals of individual companies. This entails new thinking about HRD policies (see Nyhan, 2003) and the relationship between HRD and VET (see Fischer, 2003). It also requires the adoption of new theories of learning in the context of the knowledge society where competence has become more knowledge intensive. The development of knowledge is a co-production issue entailing collaborative learning along learning organisation lines (see Nyhan, 2002).

The prescriptive and simplistic formula-based view of the learning organisation does nothing more than discredit the concept. A learning organisation cannot be created by applying a formula. It can only be brought to life by the people who work and learn in the organisation. This is not about applying an external theory but rather a construction process based on a lived collective practice. Each organisation has to devise its own unique theory based on its own distinctive practice.

1.3.1. Findings of recent research – practical and conceptual relevance of organisational learning

The relevance of the learning organisation thinking today is corroborated by many of the participants in the Cedra project but also by other recent research work. In a book recapitulating on the results of numerous European research studies on innovation, carried out in the framework of European Union sponsored socio-economic research, Lundvall and Borrás (1999)

emphasise the importance of interactive learning that draws on learning organisation thinking. They point out that while the foundations for the 'knowledge-based economy' can be seen to have been put in place in Europe, by way of contrast, much more work needs to be done to support the introduction of what they refer to as the 'learning economy'. In fact, they go on to argue that the 'learning economy' is a more appropriate term than the 'knowledge-based economy' to articulate today's agenda where specialised and codified knowledge has a very short life-span. Hence, it is the capability to learn how to create new knowledge and adapt to changing conditions that will increasingly determine the performance of individuals, firms, regions and countries (see Lundvall and Borrás, 1999: p. 31). They go on to argue that the introduction of a multiplicity of work based learning systems along learning organisational lines has a key role to play within the dynamics of the 'learning economy'. (See also Lundvall and Johnson, 1994.)

Another recent important book entitled *Handbook of organisational learning and knowledge* containing contributions from 30 leading academics, managers and consultants from ten countries makes a strong case for the relevance of organisational learning ([4]). The justification for undertaking this work, stated in the preface, was that 'organisational learning is considered to be a central topic in the context of world wide processes of transformation' (Dierkes et al., 2001; p.vi). In the body of the book it is asserted that: 'the case for the long-term significance of organisational learning and knowledge creation as a field of academic inquiry can be made on two levels; practical relevance and conceptual fruitfulness' ([5]).

([4]) This massive work, coordinated by the *Wissenschaftszentrum Berlin für Sozialforschung* and edited by Dierkes et al (2001) took over six years to complete. It runs to a hefty 979 page publication that sets out to bring together many of the current streams of thinking on organisational learning dispersed in different disciplines and subdisciplines. An annotated bibliography was produced earlier by the same team in a book and CD format (Dierkes et al, 1999).) All of this work took place in the framework of the '*Ladenburger Kolleg*' on organisational learning in various environmental conditions.

([5]) While the term 'organisational learning' rather than the 'learning organisation' is the one that is preferred in the Dierkes et al. book, the authors of this book see the notions of the 'learning organisation' and 'organisational learning' to be two sides of the same coin. The 'learning organisation' can be seen as the *goal* to be achieved while 'organisational learning' is the *process* through which this goal is achieved. For a discussion on the relationship between the terms 'learning organisation' and 'organisational learning' see pages 18 and 19 of this book.

In countering predictions that the notion of organisation is in decline, it is asserted that:

> 'There is no indication in the literature or in informed discussion among scholars or practitioners that organisations are likely to decline as relevant societal or economic entities. Rather, the prediction is that new organisational forms will emerge to replace or complement existing organisations. We, therefore, safely assume that the need for organisations to learn and to create and use new knowledge will continue to grow, although the label for the field may well change.' (p. 937)

Morgan (1997) states that the age we are living in calls for new kinds of organisations. Accordingly, we must leave the age of *organised organisations* and move into the era where *self-organised organisations* are necessary.

Dierkes et al. (2001) argue for the importance of research and development work regarding organisational learning: 'The conceptual rationale for the long-term life expectancy of organisational learning and knowledge creation as useful paradigmatic foundations for research is possibly even stronger that the argument of practical relevance'. In pointing out how organisational learning and knowledge creation theory is derived from numerous dispersed disciplinary traditions, they state that:

> 'The (organisational learning) field of enquiry provides a focal platform for bringing together the interests of scholars from different disciplines who are seeking to understand the factors, conditions and processes facilitating and inhibiting the acquisition, creation and use of knowledge in societies. The intellectual innovativeness of the field was fuelled for many years by scholars who were attracted to the exploration of what often appeared to be peripheral, even unorthodox questions in their disciplines. A challenge will be to maintain that momentum while mining the core of the disciplines as well.' (pp. 937-938)

This book, along with its companion second volume in the Cedra learning organisation project, explores aspects of a new learning organisation research agenda in a European context. This entails addressing the professional development of individuals as well as business objectives in an integrated manner. To do justice to the multidimensional nature of this agenda, a multidisciplinary framework is required.

1.3.2. **Multidimensionality and inter-relatedness**

In his book *Images of Organisations*, Morgan (1997) states that people working in organisations use images and metaphors as ways of seeing, understanding and managing organisational dynamics. The learning organisation is such an image enabling people to interconnect two different realities – the world of 'organisations' ([6]) and the world of 'learning' – or more correctly in the case of the latter, the complex phenomenon of interactive collective learning. However, Morgan points out that while images, create insight, if taken too literally, they distort. They have their strengths, but they also have limitations ([7]).

Thus, if the learning organisation concept is reduced to a simplistic and decontextualised formula, it is bound to distort rather than explain reality. However, on the other hand, contextual knowledge is also enslaving if one does not appreciate that all knowledge is contingent and therefore particularised. A higher level of learning is 'deutero learning' (Bateson, 1972) and 'expansive learning' (Engeström, 1987) that allows one to step outside and critically evaluate one's context and perhaps radically change or revise one's assumptions about it.

To represent the learning organisation concept adequately, capturing and throwing light on its multidimensionality or many-sidedness, one has to use different images. The overarching image of 'inter-relatedness' enables one to understand how different dimensions need to be related to each other and seen from a holistic or systemic perspective. From a learning point of view, this entails interconnecting the bottom-up humanistic and developmental educational interests with the more top-down strategic management interests. The aim is not to polarise these but to understand how they relate to, and complement, each other. The learning organisation concept can be

---

([6]) For some (perhaps many) people the word 'organisation' has a rather negative connotation. The organisation is seen as a 'bad object' subjugating 'good' individuals to bureaucratic soul-destroying structures and systems. This viewpoint is often informed by a belief that 'if only we could do away with organisations and create *communities* based on personal relationships we would solve all of our problems'. However, calling work organisations communities does not negate the fact that workplaces are artificial constructs that bring together people from very different backgrounds, who may not necessarily like each other, but find themselves associated together and assigned interlinked roles, to carry out a common pragmatic project. In this respect, the more neutral word 'organisation' captures the pragmatic nature of the work situations in which most people find themselves.

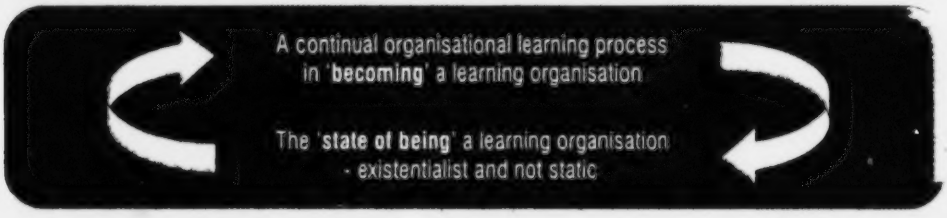
([7]) In attempting to bring images into reality, human beings use words – ' A word has power in and of itself. By means of words, a man can deal with the world on equal terms' (N.Scott Momaday, The Way to Rainey Mountain). However words are ambiguous and subjective deriving their meaning from particular contexts. Consequently, while the term 'learning organisation' may be enlightening for some people, it may have the opposite effect on others, perhaps due to the pejorative meaning assigned to the word 'organisation' as discussed above.

put forward as a heuristic tool that enables members of an organisation to generate and construct new ways of understanding and dealing with different kinds of inter-relatedness in workplaces ([8]).

1.4. The double-sidedness of the learning organisation – 'a process of becoming' and 'a state of being'

As a starting point for our deliberations in the first chapter of this book, the multidimensional and many-sided nature of the learning organisation is highlighted. The term 'learning organisation' can indeed be interpreted in two senses. It can refer to the 'process of becoming' a learning organisation, that is – the *organisational learning process*. But, it can also refer to an organisation that has achieved certain aspects of the *'state of being'* a learning organisation. However, regarding the second meaning, no organisation can claim to have become a learning organisation as the concept implies that an organisation must be *continuously* learning from, and striving to influence, its internal and external environments.

Figure 1. **The double-sidedness of the learning organisation**


A continual organisational learning process
in '**becoming**' a learning organisation
The '**state of being**' a learning organisation
- existentialist and not static

([8]) One is always challenged to come up with a definition of a learning organisation. However, having criticised the efforts of those who come up with simplistic formulas that distort reality there is a risk in taking up this challenge. Nevertheless, with the proviso that it should be noted that all definitions have their strengths and weaknesses, the following definitions are presented:

(a) Learning organisations are places 'where everyone learns and develops through the work context, for the benefit of themselves, each other and the whole organisation, with such efforts being publicised and recognised' (European Communication, 2001: p.14).

(b) 'A learning company is an organisation that facilitates the learning of all its members and continuously transforms itself' (Pedler et al., 1991).

(c) 'Learning organisations are organisations where people continually expand their capacity to create the results they truly desire and where people are continually learning how to learn together' (Senge, 1990: p.3).

In a comprehensive review of the learning organisation literature, Snell (2001) states that although there is a profusion of learning organisation paradigms, there is coherence among them around a commitment to collective learning and development.

BEST COPY AVAILABLE

An adequate description of a learning organisation has to include both of these meanings - process ('organisational learning') ***and*** goal ('a learning organisation'). However, it must be stressed that particular emphasis should be placed on the organisational learning process as a continuing transformation process ([9]).

If an organisation, behaving in a smug and self-confident manner, considers that it has achieved the goal of being a learning organisation, it has ceased to be a learning organisation. The advice of Schiller is to be heeded in this respect – ' Follow the one who is searching for the truth but take no notice of the one who claims to have found it'. A learning organisation, therefore, has to go through a continual process of *becoming* a learning organisation. (See also Cook and Brown (1999) on 'the generative dance between organisational knowledge and organisational knowing'.)

1.5. Towards a new agenda – engaging all the actors

As already discussed the learning organisation concept has not captured the imagination of many educationalists, including those in the field of vocational educational and training, because of what is perceived to be its narrow hard-nosed business orientation to the detriment of the professional development of individual employees/workers. This is in part due to the fact that, up to recent years, learning organisation theory tended to have a strategic management orientation without being concerned with an analysis of how workers could contribute to, or benefit from, organisational learning (see Ellström, 2003). This situation is also explained by the psychological orientation of dominant educational theories that make many educationalists reluctant to stray from individualistic and formal thinking about learning.

([9]) Easterby-Smith (1997) makes the following distinction between 'organisational learning' and 'a learning organisation'. He sees 'organisational learning' as being discipline based (derived form six distinct academic disciplines, such as management science, sociology and organisation theory and interestingly omitting educational and learning theory). On the other hand, he sees the concept of the 'learning organisation' as being multidisciplinary with an emphasis on action and practice. However, the emphasis placed by the authors of this book is on the mutual engagement of theory (academic disciplines) with 'practice'. From a comprehension point of view, the multidisciplinary nature of the 'learning organisation' concept is both a strength and a weakness. While it mirrors the complexity in reality, highlighting the need for boundary crossing between different disciplines and organisational functions, this does not make it any easier for some people thinking within traditional disciplinary boundaries to grasp or take on board the concept of the learning organisation. (See Cressey and Kelleher, 2003.)

CEDEFOP

Thus, they tend not to be at home with collective, situated and informal notions of learning.

However, the new agenda calls for the development of learning theories that can engage *all* of the actors and interest groups in multidisciplinary research and development work. While Dierkes et al. (2001) state that there has been a move away from seeing senior managers as the principal learning agents towards paying attention to teams and actors at all levels, the discipline of education is singularly missing from the many disciplines outlined in their book as contributing to organisational learning theory. Of the 30 contributors to the book, only one appears to be from a university education faculty. Similarly, Easterby-Smith (1997) also omits education and learning theory from his list of the six disciplines that form the basis for organisational learning theory. Clearly the education dimension must be integrated in the new agenda in the context of building learning organisation that foster lifelong learning. This is a complex matter requiring willingness to change and an openness to boundary-crossing between management thinkers, organisational specialists, educationalists and others.

With regard to setting the new multidisciplinary agenda for the learning organisation project, Dierkes et al. have traced how the organisational learning field of enquiry has moved from its early phases to the present and future ones along the following lines:

(a) While there was a concern in the 1980s and 1990s with conceptual writings and attempts to provide practical advice, as illustrated by the multitude of 'recipe' type publications, today the emphasis has shifted towards developing knowledge through close collaboration between scholars and practitioners;

(b) From a cultural contextual research point of view, while the initial and early phases of the development of the concept in the 1960s, 1970s and 1980s were dominated by Anglo-Saxon perspectives claiming universality, in the 1990s western European and Japanese experiences were taken into account;

(c) From an intellectual tradition perspective, there has been a movement from models borrowing heavily from psychology in the 1980s to the introduction of concepts from anthropology and a movement in the 1990s towards trans-disciplinarity building on a broadened base of disciplinary knowledge, including the rediscovery of precursors;

(d) There has also been a move away from behavioural approaches in the early phases, with some cognitive elements emerging in the 1980s, to the recognition of interpretative and spiral models of learning – seeing learning as an embedded process (Dierkes et al., pp.926-927).

1.6. A European agenda – fostering shared meaning

One of the main aims of the Cedra learning organisation project is to promote dialogue across different national and disciplinary boundaries with the view to working towards European shared meanings. This book, therefore, is situated within the context of the 'European development project' (see Elliot, 1997, and Novoa and Lawn, 2002). The manner in which work is organised and the nature of the learning values and processes that underpin it will play a central role in shaping the future European agenda regarding the quality of life for the average man and woman.

In the present state of the development of the European Union the German philosopher Jürgen Habermas states that 'Europe cannot just be based on common economic or political interests but also on some founding ideas and values' (see Habermas, 2001). Elsewhere Habermas has argued that – 'what makes the core of the European identity is more the character of the learning process than the outcome of it' (quoted in Therborn, 2002: p.15). Taking up this point (and keeping in mind the earlier view of the learning organisation as being both goal-oriented and process-oriented) the European learning process among the research community in studying the learning organisation is as important as the results attained. The Cedra project has attempted to situate itself within this larger European collaborative learning process.

With this in mind, as a prelude to the analysis of recent research projects in Chapters 3 and 4, which is the heart of the book, Chapter 2 undertakes a recapitulative glance at aspects of a distinctive European tradition in the area of innovation in work organisation. This, it is argued, can be postulated as forming, what might be called, the European roots of organisational learning. Thus, the European organisational innovation tradition fostering employee participation and human resourcefulness could be configured as organisational learning.

The intention here is not to be Eurocentric and neglect to acknowledge the enormous American and Japanese contribution to innovation in the fields of organisational development, HRD, organisational learning and knowledge development. Neither is it an attempt to cut oneself off from the global learning that has been the feature of scientific research. Rather, the purpose is to take stock of and explore the European tradition of innovation in work organisation with the view to using it as a foundation to be built on in addressing today's challenge.

1.7. Key messages

The four key messages arising from the Cedra learning organisation project are presented below in a summary fashion.

1.7.1. First key message - the central message

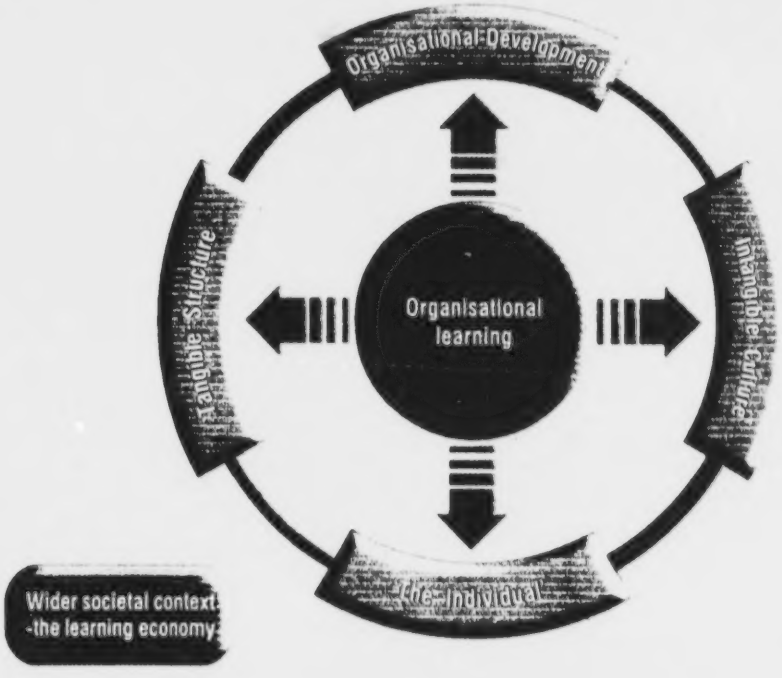
One has to ensure that there is coherence between the 'tangible' and 'intangible' dimensions of an organisation and that organisational learning goals are reconciled with individuals' learning needs.

The construction of a learning organisation is a complex process that entails:

(a) ensuring coherence between the tangible/ formal dimension of an organisation and the intangible/informal dimension; and

(b) reconciling organisational performance and learning goals (in the narrow sense of the word organisation) with the demands of individuals for development, rewards and fostering professional/career mobility inside and outside their current organisations (See Figure 2).

Figure 2. **Getting the right balance**



BEST COPY AVAILABLE

The complexity involved in ensuring the right balance between these different and often competing dimensions, which is discussed in detail in Chapters 3 and 4, means that in the final analysis one cannot realistically expect more than the implementation of incomplete or imperfect learning organisations in the vast majority of situations. However, this does not in any way negate the validity of the quest to reconcile these competing but 'real' factors. On the contrary, it calls for enlightened leadership from decision-makers and management and requires the skilled interventions of committed organisational learning professionals. In the *realpolitik* the key issue is the promotion of organisations that, in a context of shifting priorities and volatile economic environments, sustain the right balance between work demands and learning demands. This calls for bottom-up, problem centred and non-ideological learning coalitions involving all of the stakeholders within an organisation.

Furthermore, today's interconnected society requires wider societal support frameworks to promote the building of a 'European learning economy'. This requires that the different interest groups (employers, workers, non-governmental organisations) work together in 'social/civil partnerships', committing themselves to the challenge of attaining economic competitiveness goals while at the same time fostering political, social and human developmental learning goals.

1.7.2. Second key message

Developmental/ challenging work is a prerequisite for implementing a learning organisation.

One of the keys to promoting learning organisations is to organise work in such a way that it promotes human development. In other words it is about building workplace environments in which people are motivated to think for themselves so that through their everyday work experiences, they develop new competences and gain new understanding and insights. Thus, people are learning from their work – they are learning as they work.

This entails building organisations in which people have what can be termed 'developmental work tasks'. These are challenging tasks that 'compel' people to stretch their potential and muster up new resources to manage demanding situations. In carrying out 'developmental work tasks' people are 'developing themselves' and are thus engaged in what can be termed 'developmental learning'. They are developing their own work-related knowledge rather than merely adapting to the commands, rules or procedures laid down by others. Although the latter behaviour is not unimportant, and indeed is an essential aspect of working life, it promotes

'adaptive learning' rather than 'developmental learning' (Ellström, 2003).

'Developmental work', therefore, is a prerequisite for 'developmental learning'. This learning takes place through sharing in the 'life' of organisations that are undertaking 'developmental work'. It is through participating in, contributing to, and reflecting on the interactions taking place in those types of organisations, that developmental learning occurs ([10]). In other words, one learns from and through the collective 'practice' in which one is participating. This is in the main 'informal learning' that takes place through participating in 'communities of practice'. In this process, people are learning and developing themselves through actively sharing in and sustaining their communities of practice.

1.7.3. **Third key message**

The provision of support and guidance is essential to ensure that developmental work leads to developmental learning

A condition for developmental learning is that people are supported and guided while undertaking their developmental work tasks to ensure that these do, in fact, become opportunities for learning. So, for example, while an appropriate amount of stress is conducive and indeed necessary for learning, too much stress, brought on by overwhelming tasks or too much uncertainty, can block learning. Good management and leadership are necessary to ensure that work is planned in a way that people are stretched but at the same time are able to cope with demands. In this regard, support for planning and reflection is essential. This means that people have space and time to reflect on their work in a learning mode, through receiving supportive feedback on what they are doing and how they are doing it – both positive and negative – and receiving teaching, training, coaching and guidance as a regular part of their work. From an organisational learning point of view, reflection activities also need to take place in collective learning settings so that people can engage in finding common meanings to make sense of the collective work they are doing.

([10]) There is a certain degree of truth in the old saying that 'attitudes are caught and not taught'.

1.7.4. Fourth key message

To address organisational learning there is a need for boundary crossing and interdisciplinary partnerships between the vocational education and training and human resource development communities.

The wide and complex notion of learning that is implied in the concept of the learning organisation draws attention to issues that are normally considered to be outside of the realm of education and training, such as how organisations are designed, developed and managed. Indeed, the very concept of 'organisational learning' is foreign to the vocabulary of most of those involved in vocational education and training, for whom learning is very much a formal, individualistic matter. But, it is argued that vocational education and training must engage more with learning in untidy social environments in, for example, small enterprises and in different sorts of socio-economic 'real-life' contexts. This is a more complex and unstructured form of learning dealing with the relationships between technological development, social innovation, business strategies, harnessing skills and winning commitment. Organisational learning is about applied learning and supporting 'practices' where 'non-professional training and HRD' actors – managers and team leaders – facilitate learning while people are working. All of the professional education and training actors concerned with the business of work-related learning have to rethink their positions to respond to the challenge of organisational learning. This entails a re-evaluation of vocational education and training but also human resource development practices and strategies.

In addressing the organisational learning agenda there is also the need to examine how those representing the respective fields of vocational education and training (VET) and human resource development (HRD) can learn from and cooperate with each other. Whereas VET - with its public sector role - is at the intersection between peoples' concept of their individual professional or occupational identity within society and their organisational roles within companies, HRD focuses more on promoting the effectiveness of people within particular companies. Likewise, whereas HRD has more of a bias towards management development for business effectiveness, VET is more concerned with the needs of intermediate level workers. Also, the traditional obligations of VET tend to be restricted to foundation level professional/vocational education ('initial vocational education and training') and not so much 'continuing vocational education and training' throughout one's working life.

In the context of promoting a European learning economy (Lundvall and Borrás, 1999) and making a European area of lifelong learning a reality

(European Commission, 2001) there is a need for radical thinking about how VET and HRD can interconnect with each other. This calls for boundary crossing and mutual learning in a interdisciplinary and partnership mode leading to the realignment of respective roles in addressing a much wider and more complex learning agenda. Unless VET and HRD begin to work together in implementing more practice and activity-oriented and constructivist forms of learning, there is a danger that they will be marginalised within companies in the debates about embedded knowledge development activities.

1.8. What is in the remaining chapters of this book?

Following this introductory overview chapter, Chapter 2 which is entitled *'The learning organisation in a European context'* attempts to identify some of the key values, principles and traditions that underpin the concept of the learning organisation from a European point of view. The 'European social model', which attempts to reconcile the achievement of economic and social objectives as part of an integrated socio-economic goal, is put forward as providing a societal value-framework that can give meaning to the learning organisation concept from a European perspective.

Chapter 3 entitled *'Issues, dilemmas and tensions in building learning organisations'* and the following Chapter 4 entitled *'Taking up and staying with the learning organisation challenge'* set out to discern the main points emerging from the 15 individual papers that formed the launching pad for the 'Cedra learning organisation project' and are presented in Volume II. These two chapters attempt to discuss and make sense of the issues raised in these papers against the background of an organisational learning interpretative framework (11). Chapter 3 argues that building learning organisations is not so much a process of applying a theory (template) to practice, but rather a constructivist process of building a 'practice' based on shared meaning arrived at through a collective deliberation and sense-making process. As already discussed in this chapter, this is a complex process which entails the reconciliation of competing objectives, resulting in, more likely, partial or incomplete learning organisations. However, this does not invalidate the learning organisation project which is seen as a key element in building competitive knowledge-based economies while also promoting social units (organisations and communities) that foster lifelong learning.

(11) Some of the salient messages presented in Chapters 3 and 4 have been briefly outlined in Section 1.7 of this chapter.

Chapter 4 stresses the need to focus on the organisation in all of its complexity as a holistic and 'organic working and learning system'. As also outlined earlier, 'developmental/challenging work' with built-in reflection and learning spaces is seen to be a prerequisite for 'developmental organisational learning'. The central leadership role of the chief executive and senior management is essential in moderating the creative tension between working and learning. Finally this chapter discusses the specialist learning interventions of VET and HRD professionals in facilitating this process.

The book concludes with a short Chapter 5 entitled *'Concluding comments - taking the agenda forward'*. In stressing that there is a need to extend learning organisation principles to the wider societal context, it is argued that organisations cannot be viewed in isolation from each but can only be sustained in a form of 'cooperative-competition' with other organisations and institutions representing different interest groups in society. This entails new thinking about 'social dialogue' and wider 'civil dialogue' frameworks that promote social learning in the learning economy.

CHAPTER 2

The learning organisation in a European context

2.1. European organisations and work cultures

In a review of the major social transformations of the 20th Century, Peter Drucker (1994) identifies the rise of the organisation as marking a key stage in the emergence of the modern industrialised world. He contrasts this new 'social unit' with the traditional community and often family-centred 'social unit' that existed in the pre-industrialised world. While an organisation is an artificial 'man-made' construct, built to a greater or lesser degree, on voluntary contractual relationships, traditional social units were based on natural family or shared historical or locality-based ties. (See also Chapter 2 of Drucker, 1993.)

The history of industrial development in different parts of the world is characterised by the emergence of different kinds of work organisations that have shaped the nature of social relationships within these organisations. The values and way of working adopted by these organisations, contributed in turn to the emergence of what can be termed industrial or working-life cultures in the different parts of the world embracing industrialisation. (See Rauner and Ruth, 1996; Rasmussen and Rauner, 1996; Trompenaar, 1993; Hofstede, 1991 and 1980). (According to Porter (1990) the industrial specialisations and strategies within countries, or regions within countries, define their distinctive competitive advantage on a global level.)

Within the countries of the European Union ([12]) one finds different versions of what can loosely be called a European industrial or working-life culture (see Lane, 1995). This differs from that of the USA, for example, in that much greater emphasis is placed in Europe on 'social partnership' between management and employees in jointly agreeing a range of industrial and employment policies at European, national, local, sectoral and company levels. According to the European tradition, as manifested in particular in

([12]) While the term EU denotes those countries that are formal member of the European Union, it can be interpreted in a wider sense as potentially embracing all countries that see themselves as sharing in European civilisation, many of which are aspiring to become formal members of the EU.

continental and Nordic countries, it is also true that governments tend to play more of an intervening role by means of legislation, incentive schemes and support programmes for the promotion of industrial development. (See Brewster et al., 1993; Guest, 1990; Pieper, 1990; see also Nyhan, 2003.) Commenting on the high economic growth levels and low rates of unemployment of Austria, Denmark, Ireland and the Netherlands – referred to as the 'European Tigers' – a special report in Newsweek, 5 February, 2001, pointed out that the government and employers in those countries worked with trade unions 'to restrain wage demands in a spirit of cooperation inconceivable in the United States'.

Rauner and Rasmussen (1996) examine the differences between Europe, the USA and Japan regarding the design and application of technology and the impact this has on work organisation and the competence levels required by the general workforce. Germany, for example, lays greater emphasis on workers' high level of competence in being able to understand, control and manage the technology being used, whereas the stress in the USA is more on automated machines that require less competence on the part of the general workforce.

There is a degree of truth in the generalisation that while the USA traditionally feels that it has to reign in big government to allow more room for business development, the EU seeks to promote closer links between government and business to promote socially sustainable economic development (see Hutton, 2002). In a comparative world context, the industrial culture of the EU can be portrayed as seeking to strike a mid-way course between the other two big global players of the economic triad – the USA and Japan – in attempting to maintain a balance between entrepreneurship or individual initiative and social cohesion ([13]).

2.2. 'European social model'– fostering good and flexible work organisations and lifelong learning

The industrial and working life cultures that have emerged in Europe, in the second half of the 20th century and have been shaped through the political initiatives of the European Union, have contributed to what has been called

([13]) In his worldwide comparative study on 'business cultures', Trompenaar (1993) devised a framework for identifying what he terms the 'corporate cultures' that are typical of businesses in different countries.

the *European social model* ([14]). This model attempts to find a balance between the achievement of economic and social objectives. In claiming that competitive advantage can emerge within regimes that stress both competition and social solidarity, this viewpoint challenges simple economic liberalism that places emphasis solely on markets ([15]). Within these regimes there is a vital role for factors that do not have an empirically verifiable market value such as: promoting health and safety at work; enhancing the quality of working life; promoting organisations based on participation and social dialogue; and fostering continuous education and training and human resource development at work. According to this tradition, the deployment of resources to support the 'social and human factor' is seen as contributing to 'competitive advantage' rather than acting as a drag on it (European Commission, 1997).

Of course, the European social model is not something that can be sustained without constant reconstruction – indeed this is a continuous development project. In recent years, great strains have been placed on the social partnership agreements between employers and workers underpinning the European social model, caused in particular by the intensity of global competition. The new context requires a new innovation effort in order to refashion the European social model. The concluding statement of the summit meeting of the Heads of State of all the EU Member States, in the framework of the Swedish EU Presidency in the first six months of 2001, placed emphasis on the need to modernise the European social model ([16]).

([14]) It must be pointed out the European social model is highly differentiated as far as the different European countries are concerned. Thus it is represented rather weakly in some countries and industrial sectors. It has also had to struggle to survive or coexist along side the competing and very strong global work organisation tradition underpinning 'taylorism' and 'neo-taylorism'.

([15]) However, the European social model, is not to be seen in left or right political terms, but rather reflecting the ideals of the founders of the European Union, it has to do with building a political, economic and social entity based on a sense of common purpose transcending ideological and social divisions (see Hyman, 2001). In arguing for the refashioning of the European project 'based on a common founding idea as well as a common interest', Habermas (2001) asserts that 'the idea of Europe is based primarily on a specific notion of justice', which he located 'in the traditions of the workers' movement, in the social theories of the Church and in social liberalism'. The Protestant work ethic, the social teaching of the Catholic Church as well as Marxist critiques have contributed to this model. The different socio-economic models of the countries making up the European Union have also made their contributions to the European social model. In particular, Jacques Delors, when he became President of the European Commission in the mid 1980s, introduced the concept of social partnership that had shaped industrial/social dialogue in France and other continental countries onto the European Union agenda.

([16]) At a conference entitled *Europe makes a difference – challenges for the European social model* that took place in Dublin on 29-30 August, 2002, the European Commissioner for Employment and Social Affairs Mrs Anna Diamantopoulou spoke about the need to evaluate the economic benefits of the European social model in today's context.

The following issues were highlighted in the statement:

(a) promoting corporate social responsibility;

(b) fostering good and flexible work organisation permitting better reconciliation of working and personal life;

(c) supporting lifelong learning for all as a social goal.

The introduction of the recent European Commission Communication promoting lifelong learning (European Commission, 2001) is part of this effort to renew the European social model. This Communication stressed the need to build learning organisations. The Cedra project has been undertaken in the context of European research studies focusing on the renewal of European education and human resource development policies in the framework of recreating the European social model ([17]). Although there are just two papers in Volume II that discusses the European dimension in depth ([18]), all of the papers were written against a background of promoting shared meanings in a European context ([19]).

Before moving forward to address current and future European agendas on the learning organisation, we must draw on and learn from past European 'long innovation cycles'. Thus, it is worthwhile to reflect on what can be learnt from the European heritage of work organisation innovation and what it has to say to us about human development at work. Therefore, before going on to discuss current European debates in Chapters 3 and 4, the next section of this chapter explores to what extent we can talk about the European roots of the learning organisation.

2.3. European roots of the learning organisation concept – human resourcefulness & participation

Most commentators trace the origins of 'organisational learning thinking' to the American based researchers such as March and Olsen (1976 and 1987), Cyert and March (1963) and Argyris and Schön (1978). These studies had a strategic management orientation as illustrated by the paper of March and Olsen which puts forward a theory of management 'decision-making' in terms of organisational learning. It is also acknowledged that the concept of the 'learning organisation' has been made well known worldwide,

([17]) See Elliot (1998) for an analysis of the educational research agenda in the context of what he refers to as the European development project

([18]) These are Sambrook et al. (2003) and Nyhan (2003).

([19]) See also the work of Manning (2002) on the European dimension of HRD that is entitled *The EHRD Base*. (web-address: http:// www.ehrd portal.org).

predominantly through American literature (in particular see the best-selling book of Senge, 1990).

Notwithstanding the above, it is argued that there is also a distinctive European tradition of research and development in the area of innovation in work organisation that can be can be seen to form the European roots of organisational learning thinking. As already mentioned earlier, European industrial and working life cultures – contributing to the European social model – have placed more emphasis on vertical and horizontal organisational collaboration between workers and managers in European companies, particularly in small and medium sized companies, in the running of the companies. It is a short step from horizontal and vertical collaboration at work to collaborative organisational learning. In many respects this form of collaborative work can be configured as collaborative organisational learning in the sense put forward by learning organisation theorists today. The European contribution to organisational learning can be characterised as a work organisation tradition that places emphasis on fostering human resourcefulness and employee participation (see EPOC, 1997). In the next section we take a brief glance at this tradition.

2.3.1. Interrelationship between work organisation, technology and learning

There have been many work-oriented research and innovation movements in different European countries beginning around the 1960s that have focused on the impact of 'human and social factors' in promoting organisational effectiveness and competitiveness ([20]). This research and development work has taken many forms and has roots in different disciplinary and academic traditions. It has given rise to a distinct body of evidence that privileges the role of human resourcefulness, social interaction and cohesiveness as the mainsprings of organisational effectiveness. The aim of this work was to seek ways through which industrial society could move beyond a rationalistic bureaucratic work organisation concept to one based on organic living systems that seek to maximise the initiative and intelligence of the people working in these organisations (see for example Burns and Stalker, 1961).

Much of this work attempted to reconcile what were previously taken to be opposing factors – organisational effectiveness and worker autonomy. A good example of this can be found in the development work pioneered by the systems thinking theorists such as those in the socio-technical school that

([20]) For an overview of research and development work undertaken in different European countries see Pornschnegel (1992). See also Naschold (1993 a).

originated in the Tavistock Institute of the UK (see Miller and Rice, 1967, and Rice, 1958; see also Miller, 1997). Their argument was that it is through promoting autonomous work groups taking social, as well as technological, factors into account that one increases productivity. Furthermore, one is also contributing to the building of workplaces in which people are learning to think for themselves and learn jointly with their fellow workers in their work groups. The socio-technical way of thinking examining the relationship between organisational and technological processes, had an impact in many other countries in Europe and throughout the world. For a full account of the development of the socio-technical school see van Eijnatten 1993 ([21]).

Drawing initially on the socio-technical movement, Sweden has developed its own distinctive working life programmes looking at the interface between work organisation, technology and learning. (For an overview of programmes undertaken to support change and development in Sweden see Hofmaier, 2002.) The LOM (Leadership Organisation and Co-determination) programme, undertaken during the late 1980s and early 1990s and supported by the Swedish Work Environment Fund is a good illustration of the Swedish tradition. That programme adopted an innovative 'democratic dialogue' methodology based on the 'communicative competence' theory of the German philosopher Jürgen Habermas to foster collaboration and joint learning between all of the stakeholders in private and public companies. See Gustavsen (1988) for an overview of the methodology that was followed and Naschold et al. (1993 b) for an evaluation of the LOM programme. More recently, a programme supported by the Swedish Work Life Fund (1990-1995) focused on forming regional networks comprising companies, research and training bodies ([22]). In their evaluation of that programme Gustavsen et al. (1995 and 1996), call for a more dialogical form of working relationship between researchers, managers and employees so that they can jointly develop new linguistic resources to engage in complex problem-solving ([23]).

Germany is another country that has undertaken major nationwide research and development programmes. The 'Humanisation of Work' and 'Work and Technology' programmes, undertaken during the 1980s and

([21]) Also see van Beinum and van der Vlist (1979) for an overview of developments in the Netherlands. For an illustration of the impact of socio-technical thinking on organisational learning see du Roy, (1977). He presents a case-study on the setting-up of the Aluminium Dunkerque plant in France.

([22]) Over 60 researchers worked with actors in 1 342 workplaces, most of them SMEs.

([23]) Ennals and Gustavsen (1999) have traced the evolution of thinking regarding working-life development programmes in a Scandinavian context. They show how a shift in emphasis occurred from an approach based on the replication of prototype or 'star' projects towards a bottom-up strategy in which individual firms devised participative approaches to resolve problems that were identified by the people affected by them.

1990s, focused on the interrelationship between work organisation, technology and learning. The research work of Rauner et al. (1988) and colleagues in the *Institut für Technik & Bildung* in the University of Bremen in Germany, focused on making connections between organisational thinking and the classical concepts and values underlying vocational education and training (see Heiddeger, 1997) While not explicitly speaking in terms of learning organisation theory, these authors highlight the learning impact arising from the co-shaping by skilled workers of the way that work is organised and technology is utilised. Work organisation, as a jointly constructed social reality, is seen as one of the three factors codetermining the vocational education agenda. They point out that a proper understanding of working-life entails an appreciation of the triangular interdependency between: a) autonomous human interventions (competence); b) work organisation/social factors; and c) technology. In arguing against a technological determinism they emphasise the importance of human and social/organisational learning as a prerequisite for the exploitation of technology. Geissler (1995 and 1991) who is concerned with the reform of traditional business-education in Germany, puts forward the learning organisation concept as a way of making connections between education, and in particular further education, and the business world.

At a European level, during the late 1980s and early 1990s the FAST (Forecasting and Assessment in Science and Technology) programme emphasised the importance of the human contribution in the exploitation of technology. To counteract an exaggerated focus on technology in production processes, the concept of 'anthropocentric production systems' was introduced (Wobbe, 1991,1992,1990; and Garibaldo, 1985) Also on the European level the European Commission's Eurotecnet programme (1987-1995) focused on the concept of the learning organisation as a way of building bridges between vocational education and training and human resource development (see Stahl et al., 1993; and Nyhan, 1991).

Other European work, focusing on strategic management issues similar to American interests, has made a significant contribution to thinking about organisational and management learning. The innovative work of Revans (1980) on 'action-learning' which he described as 'self-directed and collective problem-solving by management' changed managers' mindsets about the nature of learning. According to Revans, if an organisation is to survive, its rate of learning must be equal to or greater than the rate of change in the environment. He developed an action-learning methodology which is still influential today. Revans is also acknowledged to have had a major impact on the significant work of both Garrett (1987 and 1990) and Pedler et al.

(1991a and 1991b). In an article that had a lot of influence in management circles at the time, de Geus (1988) made the case for 'organisational planning' to be understood as 'learning'. In a later work, drawing on his management experiences in the Dutch-UK company, Shell, de Geus (1997) argued that the 'ability to learn' is one of the four main characteristics of what he termed 'a long-lived company'. The other three characteristics – 'cohesion and identity'; 'awareness of ecology' and 'the ability to govern its own evolution' – have clear links with learning and the social dimension of a company. Nicolini and Meznar (1995) pointed out that in the very process of continuously enacting their environments, organisations are going through cognitive processes associated with learning whether they recognise them as learning or not. These authors see organisational learning as a 'social construction' process.

One can also look at the number of annotated bibliographies that have appeared in recent years to gain an insight into the enormous amount of research and development work that has taken place in the field of the learning organisation in different European countries ([24]).

2.3.1.1. *European precursors of learning organisation thinking*

The argument presented here is that the European work organisation innovation tradition, placing emphasis, in the first case, on the importance of human and social factors, and second harnessing the role, contribution, and competence of workers has contributed to the construction of social systems (organisations) which are also learning systems – learning organisations. Putting this in other words: an organisation that is harnessing the potential (commitment and competence) of people across and through the organisation can be said to be promoting a learning-conducive work organisation - a learning organisation.

It is our contention that the basic principles underlying this tradition of organisational innovation, which entails looking at the interactions between all of the different parts of the organisational environment, but in particular focusing on the human potential and social factors, has contributed to the development of a new and wider understanding of the learning effects of work organisation. Organisational innovation based on the recognition of collective human and social factors can be reinterpreted in the language of learning as organisational learning. Organisational innovation, in this sense, and organisational learning can be seen as two sides of the same coin.

([24]) For example, see the bibliographies developed in France by *Centre INFFO* (1997) in the UK by HRD Partnership (Jones and Hendry (1992) and by *ISVOR-FIAT* (1993) in Italy.

2.4. The European learning organisation agenda today

The research and development work described above has been led by multidisciplinary-oriented researchers coming from work organisation, organisational development and technological backgrounds. They were willing to take risks in venturing outside of the boundaries of their original disciplines and working with colleagues from other disciplines who were open to challenging traditional thinking (see Corbett, 1991).

European multidisciplinary development work has been extended further in the context of the topic of the learning organisation. This has brought together researchers from different disciplines to collaborate in research and development projects supported by the European Commission and other bodies.

The task of these projects has been to promote boundary crossing and dialogue between those representing a number of research interests such as those listed below ([25]):

(a) organisational development – relates to organisational, sociological and/or management theories with a focus on understanding organisational behaviour;

(b) organisational learning – has to do with collective learning through reflecting on work place contexts and situations. Working and learning are integrated;

(c) human resource development – concerned with training and development strategies to promote a company's business effectiveness through developing the competence of all;

(d) vocational education and training – relates to the professional or vocational development of individuals in a societal or industrial sector context;

(e) work based learning – stresses learning from work experience and in particular looking at ways to harness informal learning, with a focus on educational benefits for individuals;

(f) adult education – the focus is on human development and learning as a social goal often in a community education setting;

(g) knowledge development – is concerned with harnessing knowledge which is 'distributed' throughout different people's heads or in different specialised departments in a company.

([25]) However these interests should not be seen as being neatly separated from one another because in reality a number of them can come together in different permutations.

The learning organisation concept has served as a kind of common framework within which cross-disciplinary and cross-interest research concerned with moving agendas forward, could take place. It has been acknowledged that much of the American classical literature focused overly on a strategic management agenda, leaving the education and human development of employees as a secondary issue. Central to current and future European agendas, however, is a search for ways in which organisational learning can address a multiplicity of goals – companies' competitiveness goals as well as providing educational benefits for individuals.

The multidisciplinary dimension of the research and development work on the learning organisation is becoming more important, as the demands to build a knowledge society and a European area of lifelong learning stretch the boundaries of learning theory. Researchers and practitioners – educators, HRD specialists, managers, technologists and social scientists – are challenged to think in terms of boundary-crossing, inter-connectedness, interdisciplinarity rather than championing the hegemony of their own disciplines or fields of activity.

The Cedra learning organisation project draws on the results of a number of some recent multidisciplinary and transnational projects with the view to contributing to a deeper mutual understanding of the key issues on today's agenda and the drawing up of future agendas. Chapters 3 and 4 discuss the fruits of this work.

CHAPTER 3

Issues, dilemmas and tensions in building learning organisations

3.1. Introduction

This chapter and the next one set out to discuss the salient points emerging from the 15 papers which formed the basic texts for the Cedra learning organisation project and are presented in Vol. II. It adopts an impressionistic analytic approach in an effort to make sense of the issues raised and the relationship between them in the context of establishing a broad interpretative framework. The reflections, however, are not confined to the papers presented in the Cedra project, but are also based on an engagement with other authors who have provided insights concerning the nature of organisational learning.

One of the predominant impressions one gets in analysing the different papers assembled under the ambit of this project (in Vol. II), is the enormous complexity of the tasks facing managers ([26]) of modern organisations. In the context of organisational learning, today's managers have to be able to deal with numerous conflicting interests and goals. In the first place, they have to give shape to an organisation to pursue certain strategic directions, while at the same time being open to constant change. Second, they have to reconcile individual idiosyncratic behaviours and learning with that of orchestrating organisational behaviours and learning. The case studies of British Telecom (Cressey, 2003), Deutsche Bank (Reimann, 2003) and Guinness (Findlater, 2003), in particular, illustrate how managers and employees and their representatives are struggling to learn to deal with a constantly changing turbulent environment. The paper of Brown and Keep (2003) questions the degree to which company productivity and individual

([26]) The term manager is used to indicate those who have responsibility for giving leadership within an organisation. While primarily referring to those formally charged with leadership responsibility and who, in the English language, would be termed Chief Executive Officers, it can also refer to others who have leadership responsibilities such as social partner representatives, and particularly, in the context of this book, human resource development managers.

learning needs can be accommodated in today's organisations. Fischer (2003) takes up the issue of reconciling individual and organisational learning. Both of these latter papers share a concern with that of Woerkam et al. (2003) to address the wider agenda of learning from a personal or occupational/professional/career identity and development perspective.

The papers by Sambrook et al. (2003) and Poell and Chivers (2003) show how human resource development departments and HRD professionals are struggling to transform their traditional roles, moving from that of 'providing training' to that of becoming consultants to line management so that they can take direct responsibility for integrating organisational, team and individual learning within everyday work contexts.

In his classic book *Images of Organisation*, Morgan (1997) captures the complexity of the role of modern management:

> 'As we move into the twenty-first century we find ourselves living through a period of unprecedented change with major implications for the whole field of organisation and management. Theories that were once viewed as providing sound foundations are becoming obsolete. New theories are emerging at a rapid pace. Each month, it seems, brings a crop of new perspectives through which managers are urged to understand and act on their problems. Needless to say, the situation is often overwhelming. Managers at all levels are invited to embrace new paradigms.... In any single year, leading business journals invite managers to consider dozens of ways of structuring and managing their enterprise.... Modern chaos theorists would describe this as an "edge of chaos" situation'. (p. 375)

Morgan outlines how we are shifting from a world dominated by bureaucratic-mechanistic principles into a world characterised by fluid and self-organising transactions in which companies are becoming more deeply and widely interconnected through globalisation. Furthermore, these transactions are speeded up by means of world wide web technologies. He goes on to say that the only way for managers to avoid being buffeted by the latest theories and trends is to take up their own position – to devise their own theories to deal with their unique contextual situations. They can only do this through discerning some sort of basic patterns underlying the enormous complexity of their organisational environments.

In identifying, synthesising and discussing the key insights of the different authors participating in the Cedra learning organisation project, this chapter attempts to go some way towards assisting managers, policy makers, HRD and vocational education and training actors, to devise their own theories to understand how organisational learning can be fostered. A useful first step in

BEST COPY AVAILABLE

this process is to gain an understanding of the assumptions and principles underlying the different forms of management thinking about learning and human resource development within organisations. For example, the papers by Cressey and Kelleher (2003) which analyse the relationship between 'instrumental and emancipatory learning', that of Ellström (2003) which explores the meaning of 'adaptive and developmental learning', and that of Nyhan (2003) which discusses the different philosophies underpinning HRD, can help managers to become aware of, and critically analyse the principles and assumptions that are guiding their own practice.

A central hypothesis that we are proposing on the basis of our reflections on the issue of organisational learning, as explored by the authors in Vol. II, is that the key to organisational learning is the capacity to understand and see how the different and often seen as opposing dimensions of organisational life can be reconciled.

Modern organisational life is full of real and apparent tensions, which are derived from a complex external and internal environment that requires a host of different objectives to be reconciled. All of the different actors, managers, HRD specialists and employees, have to be able to understand the reasons for these tensions and be able to reconcile them if they are to learn to live and work in modern organisations.

The two major tensions, in implementing organisational learning, which we wish to discuss, are those between:

(a) the need to build a tangible organisational structure but also simultaneously promote an organisational culture based on intangible shared values and meanings and

(b) the need to promote cohesive and effective collective/organisational strategies while at the same time fostering an environment for individual initiative and autonomy and individual development.

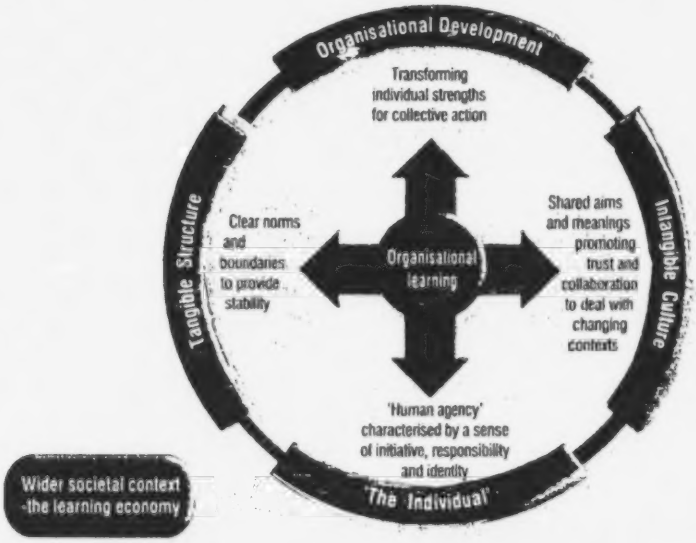
In Figure 3, these two sets of tensions are depicted in the form of continuums running along horizontal and vertical axes. The first one, relating to the horizontal axis, has to do with the contrasting demands between, on the one hand, the need to formalise, objectivise, make explicit and transparent, that is make tangible, while on the other hand, there is also the need to pay heed to the informal, the subjective, the tacit – the intangible.

The second tension – on the vertical axis – focuses on the need to devise learning strategies to meet organisational (corporate) identity and performance objectives while at the same time encouraging personal responsibility and initiative based on a sense of individual identity.

This figure can be seen as a representation of a conceptual framework for understanding the nature of organisational learning that occurs at the

intersection of the two axes and has to do with the management of the tensions along the two continuums. There is also the wider societal context – the learning economy – which also has to be taken into consideration ([27]).

Figure 3. **Understanding the dimensions of organisational learning**


Organisational Development
Transforming individual strengths for collective action
Tangible Structure
Clear norms and boundaries to provide stability
Organisational learning
Shared aims and meanings promoting trust and collaboration to deal with changing contexts
Intangible Culture
'Human agency' characterised by a sense of initiative, responsibility and identity
'The Individual'
Wider societal context -the learning economy

It is our contention that the dynamics within these continuums are often not adequately explained in much of the populist management and organisational consultancy literature, giving rise to oversimplified understandings and confusion among managers and policy makers. The introduction of a modern form of management is often portrayed as the adoption of a new template to replace the old tayloristic one, that is, simply moving from the left side of the horizontal axis to the right side. However, this can only lead to a polarisation.

The issue at stake in organisational learning is bringing the two dimensions of the horizontal continuum into dialogue with each other. They are part of a 'dialectic' in the classical meaning of this term in the Greek language (which is related to the word 'dialogue') and that conveys the meaning that to understand reality one has to 'dialogue with', 'converse with'

([27]) This can be seen as an enlarged and much more complex version of Figure 3. An adequate discussion on this issue is outside of the scope of this book. However, some initial thoughts are presented in the concluding Chapter 5 and in Annex 2.

BEST COPY AVAILABLE

or 'speak across' the different dimensions of reality ([28]). Thus, the objective (tangible) and the subjective (intangible) dimensions of organisational life have to be in dialogue with each other. This is necessary if one is to see the whole picture.

The development of society according to Berger and Luckmann (1966) entails subjective and objective forces. Both are fundamental. 'Objective reality' is about tradition, institutionalisation and legitimisation, whereas 'subjective reality' is about socialisation, internalisation and the creation of the future. (See also the work of Bernstein [1988] entitled 'Beyond objectivism and relativism' and Giddens [1984] who presents what he calls a 'structuration theory' showing the interdependent relationship between 'structure' and 'agency'.)

The smaller social system – the organisation – likewise, has two dimensions – *objective/structural* and *subjective/cultural* and both have to be taken into account in organisational learning. In rejecting, what he terms the 'bastion of linearity' Hampden-Turner (1990) states that learning is about the ability to resolve dilemmas that appear and reappear in constantly changing forms. He rejects the linear 'either-or' approach, instead arguing that the key to learning and progress is based on a 'both-and' approach which entails dealing with a configuration of values rather than the selection of mutually exclusive alternatives. Thus organisational learning is about dealing with the creative tension between *structure* and *culture* on the one hand, and the *individual* and the *organisation* on the other hand.

The organisational learning agent, therefore, must be Janus-like, looking at two directions at the same time. The role of human resource development and continuing education and training professionals and researchers is to assist managers to mediate the conversation between the right and the left and the top and bottom dimensions of the figure presented above. Learning facilitators and researchers have a key role to play in fostering what Nonaka (1995) refers to as 'emerging spaces' and Engeström (1987) following Vygotsky (1978 and 1987) calls 'zones of proximal development', within which people can dialogue and experiment in order to learn to work together in constructing new realities.

The remaining sections in this chapter explore in more detail the issues that need to be dealt with, first, in managing the interplay between the two dimensions of structure/tangibility and culture/intangibility on the horizontal axis, and second the issues of *individuality* and *the organisational* on the

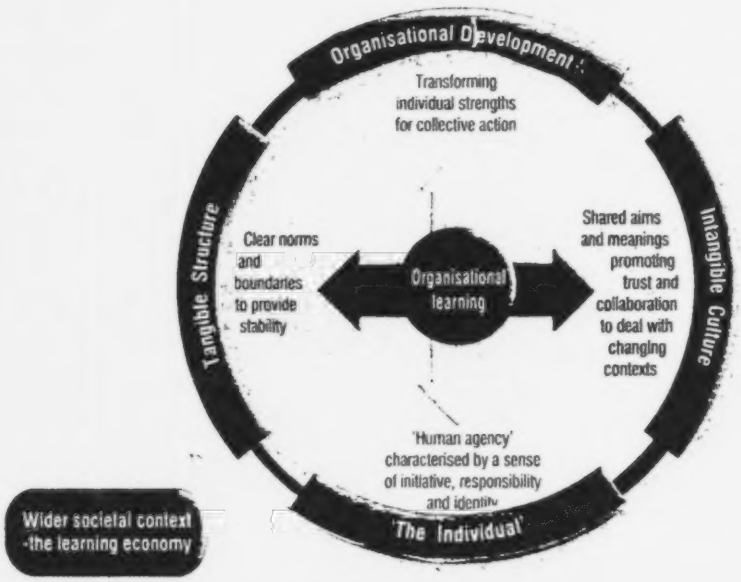
([28]) This meaning of the word 'dialectic' is different from the modernist meaning that the word has taken on connoting a contradiction between two opposing forces.

vertical axis. Chapter 4 then goes on to discuss the learning that needs to take place in the organisational learning space at the intersection of these axes.

3.2. Managing the dynamics between 'structure' and 'culture'

The horizontal dimension of the axis raises a major challenge for many traditional organisations to break out of what Hampden-Turner (1990) refers to as the 'bastion of linearity' on the left hand side on Figure 4. However, this does not entail abandoning 'structure' but it does mean embracing a process-oriented vision of an organisation according to which it is constantly being shaped by 'intangible' factors - namely the aims, intentions, feelings and values of its members. Whereas the organisational features on the left side of the figure are tangible and lend themselves to being articulated in an accountable and transparent manner, the characteristics on the right side are based on intangible human knowledge, thoughts and feelings ('emotional intelligence' – Goleman, 1997, 2000) and interrelationships. (See also Polanyi, 1962 on 'tacit knowledge'.)

Figure 4. **Managing the dynamics between the 'tangible' and the 'intangible'**


Organisational Development
Transforming individual strengths for collective action
Tangible Structure
Clear norms and boundaries to provide stability
Organisational learning
Shared aims and meanings promoting trust and collaboration to deal with changing contexts
Intangible Culture
'Human agency' characterised by a sense of initiative, responsibility and identity
The Individual
Wider societal context -the learning economy

BEST COPY AVAILABLE

When these relationships are fashioned by trust and mutual responsibility, they provide the conditions for sharing personal and tacit knowledge that is a prerequisite for collaborative organisational learning. (Puttnam, 2000, 1993a and 1993b refers to this as 'social capital'; see also Nahapiet and Ghoshal, 1998.)

3.2.1. **A learning organisation is 'socially constructed'**

Taking on board the 'intangibles perspective' while at the same time maintaining a tangible and transparent structure, raises a major dilemma for those who are charged with the management of organisations. On the one hand, they know that they have to venture forth into the uncertain and risky world of flexible, process-oriented and self-organising systems, but on the other hand they want to have a structure that will mitigate risk and relieve anxieties. It is understandable that many of them long for a new 'scientifically proven' management system similar to the 'scientifically proven' taylorist template to deal with this dilemma.

Modern organisational frameworks such as the learning organisation are, indeed, often put forward as new normative models for managing a company today or as representing the emerging paradigm – the new 'one best way' – that will inevitably dominate thinking and practice in the future (see Brown and Keep, 2003). This view of course fails to take into account that the learning organisation notion entails building 'one's own theory' for one's own distinctive organisation, based on one's own practice – a theory based on one's own picture of what is happening in the organisation ([29]). Franz (2003a) outlines his personally generated theory of a learning organisation:

> 'Management is responsible for organising a company in a way which makes people want to work and learn. This is the essence of what I propose as a theory of the learning organisation. This theory arises largely from my own, theoretically reflected experience as a consultant in human resources and organisational development and as an empirical researcher.'

The learning organisation, therefore, is a 'socially constructed' reality that must be built and continuously sustained through developmental processes that involve all of the actors in an organisation. The aim is to generate shared meanings derived from the discourse and lived practice of a company rather than applying a theory or a structural template. This is about shaping reality through a process of enactment using the intelligence and willpower of the

([29]) See Hutton et al. (1997) on the subject of 'organisation being an idea in the mind'. They present an analysis of how members of an organisation can explore their different subjective notions of their organisation and test their 'subjective' images against 'objective' realities.

139

actors. It is about building 'communities of practice'. But of course, all of this cannot be done without introducing appropriate 'objective' structures and implementing new working and learning routines. These are the visible and tangible manifestations of culture that allow it to be observed and evaluated. But, the important thing about building these structures and work routines is that they have to be aligned with the shared aims, understanding and values of all the members of the organisation. The structure gets meaning from the organisation's cultural mind-set and lived practice.

3.2.2. **Difficulties in grasping the meaning of the learning organisation**

It is this subjective and contextual aspect of organisations that creates problems for many people in grasping what is meant by a learning organisation. The paper of Cressey and Kelleher (2003) takes up this point in discussing the illusiveness of the concept for many traditional managers, training specialists and researchers who see the world through 'functionalist' or 'positivistic' spectacles. These authors argue that, depending on people's mindsets and epistemological perspectives, they come up with different understandings of and different ways of evaluating the nature of the learning taking place in organisations. While some managers from a traditional 'control-management' background are looking in vain for a blueprint or an 'off-the-shelf formula', others, in naively expecting that the adoption of new 'open management' approaches will give them quick results, are very soon disillusioned and retreat to their former way of thinking and behaving. The latter buy a new management or organisational concept on the assumption that the introduction of new innovative non-hierarchical or flat structures or the introduction of a new HRD department, staffed with well-qualified people, will quickly bring results. However, these managers are confusing the adoption of modern structures – perhaps based on a management consultant's guidelines or a handbook guaranteeing success – with the undertaking of a profound cultural transformation project.

In this respect, Brown and Keep (2003) criticise what they refer to as 'the single template' thinking of many writers about the learning organisation as the emerging paradigm. This has the effect of deluding managers into thinking that all they have to do is follow a predetermined formula and, more importantly, it fails to get across the message that they need painstakingly to build a vision within a company, based on shared aims and values and take into consideration the contextual environment both within and outside the organisation.

In his paper, Fischer (2003) discusses the nature of the (intangible) cultural change that is a prerequisite for a company becoming a learning

organisation. Drawing on Schein's work on 'corporate culture' (1992 and 1993), he outlines the different dimensions of culture such as 'espoused values', 'shared meanings' and the adoption of symbols that support a sense of organisational identity. This also entails creating a shared vision between the different sub-cultures of those working in an organisation such as senior management, engineers, generalist executives and skilled workers.

However, as stressed above, the building of a new culture does not mean the dissolution of structures and boundaries, but rather the building of flexible and responsive structures with open boundaries that are aligned with, and sustained by, the shared aims of everybody working in the company. Such structures will, in fact, provide the necessary discipline for the implementation of a company's aims. But it is the 'intangible aims and values' that have to be in the driving seat for the 'tangible structures'. The task of the manager (or company leadership), assisted by HRD and education and training specialists, is to provide 'learning spaces' for the necessary continual contextual reinterpretation of aims so that the structures can be adjusted accordingly. The way to retain a flexible structure is to clarify and reclarify a company's aims in a transparent way so that everybody can make sense of what is happening. How often, though, do we see managers doing the opposite – issuing in frequent changes regarding the (tangible) structures in a top-down and bureaucratic way to meet new demands in the hope that people's (intangible) energies – heads (intelligence) and willingness (will-power and emotions) – will slot in with these structures. When this does not succeed the new structures are blamed and abandoned or another structural change is tried out. Or, people are asked 'to try harder' and, if everything fails, the managers revert to their former way of thinking and acting.

The commentator and journalist, Humphrys (2000) depicts the behaviour of managers of large organisations. He relates how they can get caught up in a cycle of oscillation moving from one kind of externally proposed structural change solution to another one in a vain attempt to improve efficiency.

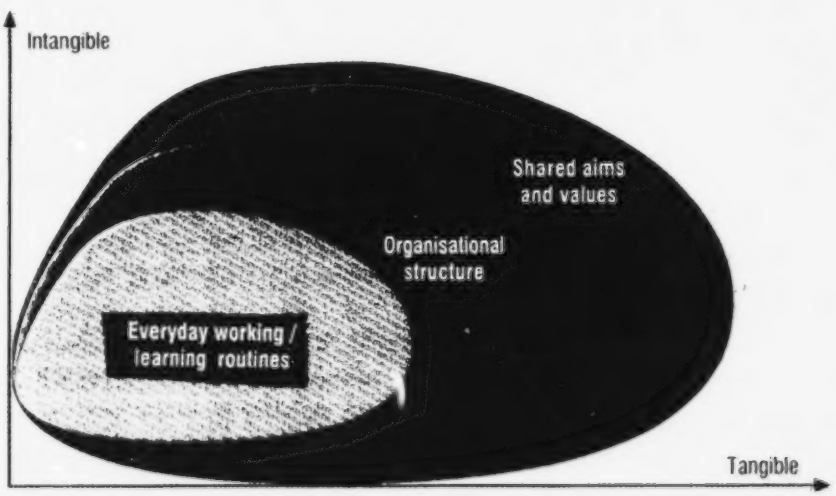
> 'Big organisations endlessly turn to one or the other set of experts to tell them how to run things. One lot demands that (staff) be treated as humans, the other as resources. There is a cycle in these things. One set of experts recommends a new system which invariably causes great disruption. But, the disruption is (seen to be) in the interests of efficiency and the company's bottom line. The HR people try to get the staff to make it happen. Sooner or later the staff rebel in one way or other. The system fails to produce the results promised and a new set of experts is drafted in with its own theory. To prove its worth, the new lot usually takes the opposite tack from the old lot.'

3.2.3. **Change and learning must occur at three interdependent levels**
For some organisations, however, the introduction of a new organisational structure, can be the occasion for management to become aware that there is a need for a radical organisational learning transformation process. This occurs if the implementation of a new structure triggers a company's management to undertake a radical company-wide collective clarification of a company's aims and values (see Docherty and Nyhan, 1997 and Nyhan, 1999). The study by these authors showed that the process of implementing organisational learning entailed an integrated and aligned set of changes at the following three levels:

(a) shared aims and values ('intangible level');
(b) organisational structure ('tangible');
(c) everyday working and learning routines ('tangible').

Figure 5 attempts to represent the organic and systemic relationship between these three levels.

Figure 5. **Three interdependent levels at which learning must take place to implement organisational learning**



BEST COPY AVAILABLE

If working and learning routines are to be properly established, they need to be supported by an organisational structure or framework and both of these can become sustainable in the long run only if they are (in)formed by shared aims, meanings and values. A management that grasps the meaning of a learning organisation is able to understand the reasons for the interdependency between these three levels and will set out to address the three of them in a systemic manner. However, Poell and Chivers (2003) point out that HRD consultants who are called in to a company to address problems of 'everyday working/learning routines' at the shop-floor or front-line level often discover that the real source of the problems is elsewhere at the level of management misunderstandings about how people are motivated to work and learn. This is an illustration of the fact that no matter how much effort is put into dealing with the tangible issues relating to structures, routines, rules and procedures, a lasting change will not take place unless the intangible cultural issues are addressed at the more fundamental level.

3.2.4. State of progress in the implementation of learning organisations

Regarding the degree to which companies are making the kind of shift in becoming learning organisations, as discussed above, Tomassini (2003) states that the results of a widespread European survey of different countries and sectors show that the learning organisation is a widely recognised reference for managers and professionals in HRD departments (see Sambrook et al., 2003). Ellström (2003) asserts that over the last 15 years the issue of learning has become one of the dominant concepts in theoretical and empirical research work on organisations. He claims that the different concepts relating to organisational learning are no longer peripheral in organisational theory but have entered core domains such as: strategic planning, production management and innovation. (See also Giddens, 1984 and Zuboff, 1988.) Fischer (2003) discusses the high level of interest in the concept of the learning organisation among German managers. Furthermore, organisational learning has become a central concept in such traditionally diverse fields as research on economic growth, regional development and research dealing with the conditions for promoting health-conducive work (Ellström, 2003). The anthologies and bibliographies, developed in different European countries that are referred to in Chapter 2 also bear witness to the growth of interest in the concept of the learning organisation in recent years.

However, despite the above, a number of papers in Vol. II, but in particular Poell and Chivers (2003), Brown and Keep (2003), Fischer (2003) and also Ellström (2003), point out that there is a lack of empirical evidence to show a

great degree of progress in the adoption of learning organisation concepts. Brown and Keep, writing about the UK context, and Fischer, commenting on Germany, point out that there is a big difference between the discourse of managers and learning organisation and management writers and what is actually happening on the ground. With reference to the UK context, Brown and Keep question the validity of the assumption, underlying the argument for learning organisations, that the UK is moving in the direction of a high-skill economy. There is also a debate in a number of circles about the negative impact of modern organisational principles – including the learning organisation – on the quality of the working life for frontline workers (see for example Victor and Stephens, 1994 and Sennet, 1998). Fischer (2003) and Reimann (2003) comment on the turmoil being created in Germany by the adoption of the learning organisation concept which is seen to threaten the *Beruf* (professional/occupational identity) tradition.

3.2.5. **Barriers and blockages to be overcome**

The truth of the matter is that while there is undoubtedly a discrepancy between people's 'espoused theory' – their intentions and what is actually taking place in reality – there are countless managers and HRD departments who are grappling with varying degrees of success (or failure) in making the transition from the old form of management based on 'tangibles' to the new form based on 'intangibles'. The empirical papers in Vol. II by Sambrook et al. (2003) and Poell and Chivers (2003) portray many of the confusions that HRD and line management are faced with, and perhaps more importantly the many difficulties that need to be overcome, in the 'new flexible organisation' in which line management has to be directly involved in implementing HRD actions.

In this regard, the case studies of British Telecom (Cressey, 2003), Deutsche Bank (Reimann, 2003) and Guinness (Findlater, 2003) illustrate the efforts and experimentation taking place. One sees how company managers, HRD specialists and trade unions are taking steps, although often struggling, to adopt new approaches to learning at an organisational level. March and Olesen (1976) comment on the complexity of learning and the many barriers that have to be overcome to implement organisational learning plans or intentions. The common experience is that of going through what they refer to as 'incomplete learning cycles'. Learning is often blocked by a variety of broken links or disturbed by what they refer to as 'the ambiguity of the past'. Pedler et al. (1991) state the learning organisation is a long-term guiding aspiration that can only be glimpsed, but is unlikely to be achieved. Like many other aspects of human living, therefore, where we are bounded by

constraints, not the least of which is the robustness of traditional forms of thinking about organisational structures, one is talking about the realisation of partial or imperfect learning organisations. This is characterised by pragmatic compromises and trade-offs making for only partially successful efforts to manage the internal tensions or come to terms with unpredictable changes in the external economic environment.

Tomassini (2003) states that in recent times there has been a move away from an idealistic notion to a more 'realistic assumption'. Accordingly, the learning organisation has become more of a pragmatic and an open reference framework for achieving organisational change. In a comment on the view of Pedler outlined above, Snell (2001) brings us back to the issue of 'intangibles' in pointing out that the failure to implement learning organisations often reflects a lack of the prerequisite ethical practices, principles and virtues.

3.2.6. Devising criteria to assess the implementation of learning organisation

Furthermore, there is also a problem in devising criteria to access the degree to which progress is being made in the direction of becoming a learning organisation. Franz (2003a) states that he agrees with Senge (1990) when he says that there is no concrete reality that can be called a learning organisation. For Franz, a learning organisation is a vision that 'supports him in the shaping of a future reality and is practice-oriented rather than analytical'. Franz, like many others, nevertheless acknowledges that he needs to come up with some sort of a definition and favours the one proposed by Senge:

> 'a learning organisation is a group of people who need one another in order to achieve something and who in the course of time continuously extend their capacities in achieving what they really want to achieve'. (Translation by Franz from the German language version of Senge's book published in 1996.)

In Chapter 4, in the context of discussing the steps that need to be taken to implement learning organisations, we will look more closely at the kind of working and learning environment that needs to be in place, focusing in particular on criteria identified by Fischer (2003) so that what Ellström (2003) refers to as the 'developmental learning' that is at the heart of organisational learning, can take place.

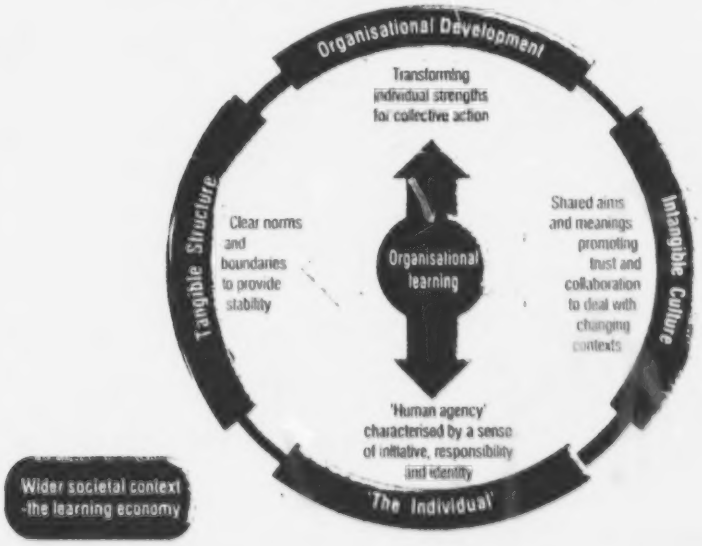
3.2.6.1. *Different epistemologies – empiricism versus constructivism*

In relation to the question of assessing the value or validating the notion of the learning organisation in response to its critics in the research world, Cressey and Kelleher (2003) take up the issue of the different epistemological assumptions underpinning the work of different schools of research. On the one hand, they point out that those researchers operating from a positivistic, value-free and objectivist epistemological perspective tend to have difficulties in evaluating the enactment and constructivist dimensions of the learning organisation. Researchers belonging to the value-free school see their primary role as that of laying bare the weakness in people's assumptions and showing up, in a critical way, the discrepancies between intentions and actions. On the other hand, those researchers who take up a constructivist and supportive approach see research as a process of engagement with the subject in a mutual effort to promote change, to understand how change takes place and evaluate what change has actually taken place. Whereas, in similar situations, the first group may see very little organisational learning going on because of the lack of tangible objective evidence, the latter group focus on emerging processes and attempt to identify the prerequisites that need to be in place to allow cultural change to take place. Just as the learning organisation raises questions about the inadequacy of traditional management thinking, so, for researchers, similar questions need to be addressed about the inadequacy of traditional research and knowledge developmental methodologies that are required to identify and assess the new realities that need to come into being (see Gustavsen, 2001 and Nyhan, 2002).

3.3. Managing learning at the individual and organisational levels

In the last section we discussed how organisations must build objective (tangible) formal structures while simultaneously allowing subjective (intangible) relationships and interactions to flourish. In this section we move to the vertical axis (see Figure 6) and focus on the issue of transforming and harnessing 'individual human agents' into a collective or organisational reality without sacrificing individual creativity and dynamism or robbing them of their professional identities outside of their organisations.

Figure 6. **Managing the dynamics between learning at the organisational and individual levels**


Organisational Development
Transforming individual strengths for collective action
Intangible Culture
Shared aims and meanings promoting trust and collaboration to deal with changing contexts
'The Individual'
'Human agency' characterised by a sense of initiative, responsibility and identity
Tangible Structure
Clear norms and boundaries to provide stability
Organisational learning
Wider societal context -the learning economy

This raises three problematic relationship issues. First, the relationship between the individual as an independent human agent and the organisation, in particular how individual frontline workers ([30]) might contribute to, and benefit from, organisational learning, is addressed. Second, the development of a learning theory that can begin to integrate, or at least begin to reconcile, the process of individual learning with organisational learning is taken up. Third, the relationship between individuals in their organisational roles and their wider societal and personal roles, such as members of occupational/ professional bodies or trade unions, is discussed.

3.3.1. Frontline workers and organisational learning

Ellström (2003) states that while there has been research literature about organisational learning for more than three decades, the main focus has been on strategic organisational management questions. Thus the issue of 'strategic learning' concerned with organisation development has tended to be separated from 'operational learning' which was seen to be covered under the heading of skills development undertaken in the context of vocational education and training. Ellström points out that it is only in more recent times that the research focus has widened to examine the role of frontline

([30]) The term 'frontline workers' refers to the vast majority of the workforce e.g. 'shopfloor workers' who are adding value to a product or 'service staff ' who are dealing directly with clients.

BEST COPY AVAILABLE

employees and workers. This has been given impetus through the advent of workplace teams ([31]) in many companies in the context of the emergence of flatter and flexible organisational structures and the need to ensure that workers could progressively enhance their levels of competence to carry out a range of tasks assigned to the team rather than an individual worker (see du Roy, 1997).

3.3.1.1. *Traditional view of how individuals learn in organisations*

Prior to the arrival of new organisational structures, the contribution of frontline workers to very many organisations, was seen to be simply fitting in with a bureaucratic top-down organisational structure. Morgan (1997) portrayed the make-up of these type of organisations through his elaboration of the 'machine image' or the 'bureaucracy image' of an organisation. According to these perspectives, organisational learning (although it was not called that) is seen to cascade from senior management via the different intervening management and supervisory hierarchical layers of the organisation to the level of the 'frontline workers'. In referring to this view of organisational learning as 'behaviour-oriented organisational learning theory', Tsoukas (1996) states that it is based on the assumption that individuals are seen merely as 'instrumental rule-followers'.

Even today, it is not uncommon to find the 'lived practice' of many companies to be in line with the above viewpoint. It is paradoxical that despite the mantra chanted by modern organisations that people (human agents) are their greatest asset, if one asks workers, many of them will declare their unhappiness about the way that they are treated as mere 'instruments' to serve the interests of their organisations. They feel that their potential is not harnessed in such a way that they can contribute fully to their organisations. These types of organisations are not ones in which people are growing and improving their levels of competence. Rather, their constraining environment is akin to what Weber described as an 'iron cage of formal rationality'. In fact, as a result of the robustness of these types of organisations, the very notion of an 'organisation' has had a negative connotation for many people. Despite the advent of 'new' organisational formats in recent years (such as 'flexible organisations' and 'lean production' organisations) the organisational paradigm outlined above, that has been fashioned in accordance with 'taylorist' and 'neo-taylorist' management structures and 'fordist' working

([31]) The introduction of teamwork in many companies throughout the late 1980s and early 1990s, was in many respects, due to the great interest in Japanese work and learning strategies such as Total Quality Management, which has been termed 'Toyotism', and Kaizen, the Japanese term for 'continuous improvement strategies'. (See Womack, 1990.)

models, still informs many people's image of work (see Braverman, 1974) ([32]).

Tsoukas (1996) points out that in adopting such working models, organisations are going against the grain of human nature, because in reality, workers are 'active agents' who draw on knowledge that is contextual and changing constantly. They are working in what he terms 'de-centred systems' or 'distributed-knowledge systems'. In this respect instrumental top-down organisations have little capacity to influence behaviour and control the knowledge that individuals are learning/producing. The end result of persisting with the instrumental systems view is that the full capacities of individuals to contribute to organisational performance are not harnessed. Neither are they contributing to the learning of the organisation.

In a rather forceful expression, stating that there is no such thing as bad workers but only bad managers, Franz (2003a) goes on to say that 'you can force people to work but you cannot force them to work well'. The same can be applied to learning – you can force people to learn rules and procedures and follow them but you cannot force people to use their initiative and exercise responsibility in a teamwork setting or be conscientious about being quality conscious in their work.

Many managers of organisations find themselves caught up in this dilemma through no fault of their own. Often this is not obstinacy but a lack of understanding about how organisations behave. They do not have an understanding of alternative strategies that could release them from the organisational model that they first learnt ([33]).

3.3.1.2. *Winning commitment through participative work and learning*

A key role for management and the HRD department is that of developing work environments in which people feel that they are making a contribution – in other words feel that they belong. This is about winning commitment through participative work and learning environments.

This is one of the key points running through many of the papers of authors in Vol. II such as Franz (2003) van Woerkam et al. (2003) Findlater (2003) and

([32]) This view of an organisation and the related concept of organisational effectiveness, has also been strengthened by positivistic and nominalist thinking about research and evaluation. Classical scientific research methodologies tend to exclude interactions with the subjects of research, meaning that the 'instrumentalist system' provides the main framework for legitimate meaning. This bequeaths a reification of rationalistic systems, the scission between subject and object and the treatment of the 'subject' as a 'source of error'. This also entails a devaluation of inter-subjectivity as a source of knowledge, creativity and learning.

([33]) Reed (1976) and Hutton et al. (1997) discuss a methodology entitled 'organisational role analysis' that enables people to stand back and consider other images or ways of understanding their organisation and in particular understanding how they exercise their roles within their organisation.

Ellström (2003) All stress the importance of building participative environments. Van Woerkam, for example, refers to the importance of 'social integration' in the workplace (along with promoting 'autonomy' and 'competence') as prerequisite motivating factors for learning. Findlater outlines how the HRD department in Guinness Ireland 'tried to bring about change in a bottom up manner'. The aim was to 'to build a tradition of good relations between the company and its workers and show how this can be done through participative work organisation and good learning opportunities'. This is based on the premise that if one creates participative and collaborative work organisations, one is on the way towards building collaborative learning which has benefits at the organisational level as well as for the individuals working in the organisation. The focus is not on participation as such but on enabling people who are often passive and dependent to become 'active human agents who contribute to the development of their social system (work organisation) through their thoughts, actions and interactions' (see Ellström, 2003). This can be seen as the 'validation of the human agent' or the 'cultivation of human agency' in the workplace – characterised by initiative and flexibility – and harnessing this intangible resource as a source of competitive advantage.

In their empirical study, Poell and Chivers (2003) identified 'personal development' as the first core area of HRD (followed by organisational consultancy and training). This is very much related to attempts by people to match their own needs with those of the organisation - to find themselves in the organisation - but also to feel that the development being undertaken in the organisation is also something that they can own and take with them if they leave the company. It is about gaining a 'portable' formal certification of knowledge and skills acquired. But it is more that that, in that it relates to building up a person's feeling that 'I am growing in this organisation and improving my employability' or as Woerkam et al. (2003) express it, 'people are acquiring the capacity for critical reflection, and not just having to fit in with the employers' needs'.

Kelleher and Cressey (2003) bring the concept of 'participative workplaces' to a different level in arguing that 'social dialogue' between management and employee representatives leading to strategic participation can be seen as a form of 'strategic learning'. This is a commitment-building strategy adopting a 'win-win' as distinct from a 'win-lose' approach. Such a strategy leads to a sharing and multiplication of knowledge rather than each side protecting its own stock of knowledge. The adoption of a participative approach does not mean lessening the role of management. Rather, it calls for a strong visionary and risk taking leadership that is able to engage with people's individual insights and maximise their capacity to enhance the organisation.

3.3.2. Explaining the relationship between individual and organisational learning

Of course, the problem in marrying the organisational and individual dimensions of learning, which many of the authors in Volume II have referred to, is also due to the paucity of theories that explain the relationship between organisational learning and individual learning. As most theories of learning are based on psychology, it is unsurprising that most research has an individualistic bias. For these reasons, for many people – managers, trade unions and other actors – the very concept of organisational learning can be illusive.

Both Fischer (2003) and Franz (2003) point out that there are theoretical as well as practical problems in explaining the relationship between individual and organisational learning. Both of them refer to the critique of Geissler and Orthey (1996) that it would be playing with words if the concept of organisational learning were to be disconnected from the learning individual. Fischer and Franz both refer to the fact that vocational educationalists view learning as an individualistic activity. In fact, most of their work is about promoting and assessing individual learning. Their lack of exposure to organisational learning contexts makes it difficult for them to grasp what organisational learning entails.

In one of the seminal works on organisational learning, March and Olsen (1975) who studied the relationship between individual and organisational learning - and in particular the impact of organisational learning on organisational and individual behaviour - concluded that there are many unresolved problems in theory and practice. Using social psychology concepts to expound on the possibilities of organisational learning, they note the major difficulties in transforming individual learning into organisational learning. One of the central recurring problems or barriers to the implementation of organisational learning that they refer to, relates to the difficulties which individuals have in correctly interpreting ambiguous and uncertain organisational situations with regard to the internal and external environment. They point out that an individual learner's interpretation of the environment can often be wrong.

Tomassini (2003) discusses the growing organisational learning literature that challenges psychological and individualistic theories in asserting that knowledge within organisations resides less in the heads of individual actors and more in the organisational fabric itself (also see Tomassini, 2002). He looks at significant work undertaken in recent years in the field of the epistemology of knowledge, referring to the concept of 'distributed knowledge systems' which attempts to explain the diffused nature of organisational

knowledge which it is argued is very different from the sum total of individuals' knowledge.

Ellström (2003) discusses different aspects of the problem of reconciling individualistic and collective learning. Drawing on the structuration theory of Giddens (1984) in which the relationship between 'individual agency' and 'system' is portrayed as a kind of interdependent causality, and the work of Weick (1977 and 1995) according to which learning can be seen as 'enactment', Ellström points towards an avenue to be explored in which organisational learning can be seen as the mediated thoughts, actions and interactions of individual human agents. Franz (2003) puts forward a pragmatic definition of organisational learning as the 'purposeful interactions of people'.

3.3.3. **Individual and professional learning benefits from organisational learning**

The learning organisation concept attempts to build a sense of organisational identity while at the same time not taking away from a sense of individual/professional identity. Individual employees identify with and are members of professional and occupational groups apart from the organisation in which they are working. Fischer (2003) points out, for example, that in Germany, the learning organisation concept sits uneasily with the notion of professional /occupational identity/ *Beruf* that links individuals with wider societal systems giving them a formal status / role / qualification that allows for the possibility of career progression outside of their present organisation. This wider identity safeguards the individual from being swallowed up within one organisational culture. This issue is also one that is confronting trade unions who want to protect the individual interests of their members while at the same time being part of the process of building modern work organisations. (See discussion on these points in Kelleher and Cressey (2003), Reimann (2003) and Findlater (2003).) Brown and Keep (2003) discuss the notion of wider learning networks that go beyond particular organisational learning contexts.

3.3.3.1. *Promoting critical reflection to meet the interests of employees and employers*

Another dimension of the relationship between the individual and the organisation is raised by van Woerkam et al. (2003) whose paper is concerned with reconciling the learning interests of employees and employers. Based on a study of seven Dutch companies, they argue that the notion of 'flexible competence' which is put forward as a key to 'employability' is, in many cases, too narrowly defined, taking only the employer's

perspective into account. They argue, instead, that a capacity for 'critical reflection' rather than 'flexible competence' should be seen as the key factor promoting 'employability'. According to them 'flexible competence' is not a neutral concept, but rather an output measure of on-the-job learning seen purely from the employers' point of view. In contrast, employability is about taking responsibility for one's own career.

As well as benefiting individuals' employability, 'critical reflection' can also be a key factor in promoting organisational change in the interests of the employer in that it provides feedback to the employer on issues to take into account in addressing organisational effectiveness. In backing up their argument, they refer to Argyris and Schön (1978) who state that organisational learning occurs when individuals within an organisation experience a problematic situation and inquire into it on the organisation's behalf. Thus organisational learning is derived from the informal learning of individuals that occurs when they seek to address work-based problems in a critically reflective manner.

3.4. Closing remarks

Chapter 3 has provided an overview of the issues, dilemmas and tensions regarding the implementation of the learning organisation concept. A central point to be addressed is that of managing the dialogue between the different dimensions of organisational life, between the tangible aspects dealing with structure and the intangible aspects dealing with building a culture. The importance of the intangible culture shaping structure, rather than the other way round, was stressed. Culture is something that must be built together if it is to give meaning to structure.

Another key issue discussed related to the need for everybody in an organisation to find a common meaning about the aims of the organisation to which they belong. This allows a cohesive organisational identity to be built that does not conflict with the interests of individuals in finding their own individual identity, thus gaining personal or professional benefits while working for collective goals.

As organisational realities are complex, the learning organisation theory must address this complexity. Simplistic formulas cannot be imposed on reality. The next chapter continues to examine this issue by looking at the work organisation and learning principles to be adhered to in order to facilitate organisational learning.

CHAPTER 4

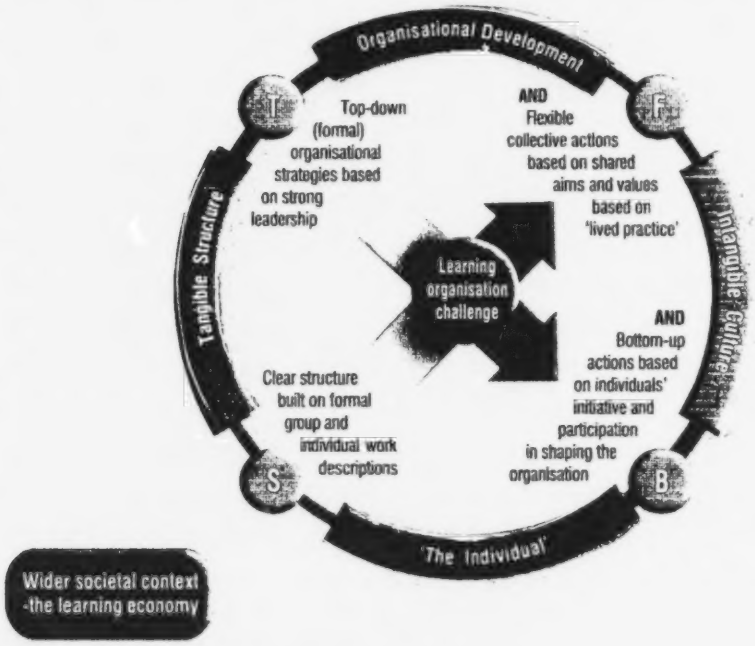
Taking up and staying with the learning organisation challenge

4.1. Introduction

The title of this chapter signifies that the implementation of a learning organisation can only be achieved by people showing a high degree of commitment and persistence. The learning organisation is not just about importing a theory or applying a model of learning but is a constuctivist process in which people build something together. Once the initial enthusiasm about engaging in a learning or organisational development adventure dies down, then it becomes a question of 'staying power', keeping one's eyes firmly on the task in hand and seeking to find a pragmatic way to address the competing objectives and demands outlined in the previous chapter.

This chapter looks at the role of organisational leaders and learning specialists in correctly interpreting the patterns of the organisation and devising ways in which the balance can be struck between the different competing dimensions. In this respect, the key word in Figure 7 which attempts to present the learning organisation challenge (and is an amended version of the figure presented in the previous chapter) is the word *'and'*. The key issue is keeping one's eyes on multiple objectives and orchestrating mutual, interactive and dialogical learning processes.

Figure 7. **Addressing the learning organisation challenge**


Organisational Development
T
Top-down (formal) organisational strategies based on strong leadership
AND
Flexible collective actions based on shared aims and values based on 'lived practice'
F
Tangible Structure
Intangible Culture
Learning organisation challenge
AND
Bottom-up actions based on individuals' initiative and participation in shaping the organisation
B
Clear structure built on formal group and individual work descriptions
S
The Individual
Wider societal context -the learning economy

The predominant and difficult feature of the learning challenge facing modern organisations is a left to right movement from an overly exaggerated focus on 'Structure – S' to one promoting 'Flexibility- F' and from a 'Top-down - T' perspective to a 'Bottom-up- B' perspective, (see Figure7). However, this entails the transformation of structures and the coming into being of new forms of visionary top-down leadership rather than the abandonment of structures or the lessening of the need for strong leadership. Formal structures, such as clearly defined job descriptions, are very necessary to give people secure starting points from which to venture forth into the world of 'practice' where the formal must be realised in a flexible and informal manner, taking situational factors into account. Likewise, visionary top-down leadership is about demonstrating legitimacy through the kind of behaviour that wins individuals' commitment - their hearts and minds - to the goals of the organisation.

The space in which organisational learning takes place, therefore, is in the intersection of the organisation where the different axes meet. The rest of this chapter discusses how organisational learning can take place at the heart

BEST COPY AVAILABLE

and in the mind of the organisation. Section 4.2 of this chapter discusses some key principles to be kept in mind in ensuring that there is a productive learning dialogue about and between the different dimensions of the organisation, setting organisational learning on the right direction and keeping it on course. Section 4.3 discusses the notions of developmental work and developmental learning that are prerequisites for organisational learning. In section 4.4 the issue of creating a culture of learning is analysed. The final section is entitled 'The role of HRD and VET in promoting the learning organisation - challenges and opportunities'.

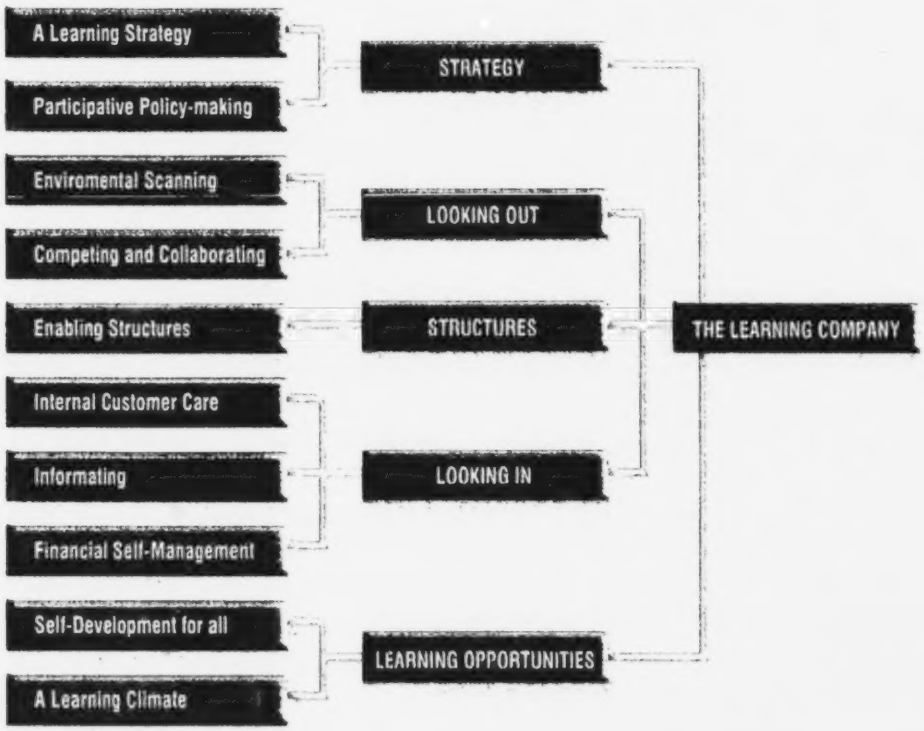
4.2. Key principles for productive learning

4.2.1. **Avoiding 'dualism' and the 'quick-fix'**

'Human-systems thinking' advocates warn us that, in attempting to resolve problems, there is often a strong tendency towards 'dualism', that is splitting off the 'easy to manage parts' of the organisation from the awkward bits (see Reed and Palmer, 1972). So, for example, top-down structural or technology-centred solutions to organisational change are often adopted instead of addressing the more tricky and not so easily controlled human factors. Human issues are split-off from the structural or technological ones. Senge (1990) emphasises that organisational learning is about trying to make sense of the whole picture, through using 'the fifth discipline' of 'systems thinking'. According to systems thinking, a splitting approach amounts to 'single-loop' learning which only addresses the symptoms of the problem to the detriment of finding a more fundamental and lasting solution based on 'double-loop' learning or deutero learning (Argyris and Schön, 1978).

Also in contrast to the closely related 'quick-fix' approach, Ennals and Gustavsen (1999) point out that sustained innovation and change entails a long period of development. Similarly, Engeström (2001), in commenting on 'expansive transformations in activity systems' states that qualitative transformations entail long cycles. Pedler (1991) points out that as well as managing its own internal learning life, an organisation also has to have its 'learning antennas' focused outwards, detecting changes in the external environment. It is important that this is done at an early stage so that it is not caught unawares and forced to undertake rushed changes without time for proper deliberation. Pedler refers to this aspect of the learning organisation as 'looking in' and 'looking out' (see Pedler, 1991).

Figure 8. **The learning organisation - 'loo .ing in' and 'looking out'**



4.2.2. Seeing conflict as providing opportunities for learning

Although conflict is very often seen to be an obstacle to learning, in fact the process of resolving conflict can be one of the key learning processes in an organisational learning context. Engeström (2001: p. 151) criticises organisational learning theories, which assume that the knowledge development assignment is unproblematic, leading to the impression that learning consists of 'smooth and conflict-free socialising'. On the contrary, for Engeström 'cognitive conflict' is the occasion for a deep form of learning, which he terms 'investigative learning' or 'expansive learning'. So, while there is undoubtedly conflict between the different poles of the horizontal 'tangible structu re' versus 'intangible culture' and 'individual needs' versus 'organisational needs' as outlined in the previous chapter, this can give an indication of the learning agenda to be tackled.

The organisational learning arena in the centre of the Figure 7 which, using the terminology of Vygotsky (1978, 1987), can be seen as a 'zone of proximal

BEST COPY AVAILABLE

development', is not a 'comfort zone' as there is undoubtedly pain in learning and perhaps more so in unlearning - in letting go of one's former way of viewing things - resolving conflicts and/or coping with unpleasant realities (see Hedberg, 1981). The 'zone of proximal development', therefore, could perhaps also be called a zone of creative tension to be utilised for learning.

4.2.3. **Transforming 'industrial relations' into 'learning relations'**

As an illustration of how potential conflict situations can give rise to positive learning outcomes, Kelleher and Cressey (2003) discuss the manner in which the industrial relations arena that is often characterised by 'negative conflict' can be transformed into a learning arena. In pointing out that this is not a utopian picture, Cressey (2003) shows how in British Telecom the trade unions are, in fact, trading off their traditional power position of being able to oppose and block management for one in which they have the chance jointly to determine company strategy with management.

This change in attitude is illustrated by the comment of a British Telecom trade union official related by Cressey – 'one of the greatest stresses in my job is finding time to intellectually prepare for the dialogue so that I have a command of the strategic issues the company is facing and a confidence in our strategic sense'. The focus is on value-added strategies rather than a rights-based agenda or a power distribution or entitlement agenda. This means 'going beyond formal and narrow focused agreements (for example on training) to participating in strategic dialogue'. Kelleher and Cressey (2003) refer to this strategic dialogue as joint strategic learning

In a Swedish case study, Forslin and Thulestedt (1993) described the process through which management and the trade union jointly diagnosed the state of a company and assessed its future as organisational learning. The study showed how a forum was created through which long-term issues were explored, joint policies formulated and outlined in the context of establishing a learning agenda as distinct from the two sides adopting 'bargaining positions'.

In a comprehensive but not uncritical overview of the development and evolution of 'social dialogue' in the European Union, Hyman (2001) ([34]) a leading comparative analyst of European industrial relations, states that successful social partnerships require strategic learning. He sees this strategic learning 'as an iterative process in which rules of the game are

([34]) Hyman explores the complex historical evolution of the concepts of 'social partnership' and 'social dialogue' from national and European perspectives. In examining the diversity of meanings about the concepts in different EU countries, he discusses the ambiguities and uncertainties that underlie much current usage of the two terms.

developed interactively as the nature of the game itself evolves' (Hyman, 2001: p.56). Hyman further states that:

> 'What seems to emerge from analyses of successful initiatives in social dialogue - whether at local, nation or European level - is that the core basis of effectiveness is not so much consensus as trust. There has to develop a mutual understanding between the interlocutors in which each can appreciate the concerns and objectives of the others without abandoning the commitment to protect and advance - forcefully if necessary - the interests which they exist to represent'. (p. 56)

This is about learning for flexibility as outlined in Figure 7, which can only be sustained if it is based on shared aims and values, derived from a 'lived practice'. It is about cultural learning focusing on 'intangibles' such as trusting relationships, which is much more than agreeing new institutional ways of working based on 'tangible' norms (see Figure 4 – Managing the dynamics between the 'tangible' and the 'intangible').

However, Hyman argues against a 'utopian model of dialogue' which implies that conflicts of interest can simply be dissolved through discussion. 'This is misleading and may encourage an over-optimistic approach to institutionalised relations between the different social actors.' Instead he states that 'effective social dialogue entails a bias towards compromise which does not dissolve fundamental differences of interests and objectives' (Hyman, p.56). In commenting on her case study in Deutsche Bank, Reimann (2003) notes the serious misgivings of trade unions about 'the move away from an entitlement culture to one based on the self responsibility of employees'.

4.3. Developmental work and learning – prerequisites for organisational learning

There is a great deal of truth in the saying that building a learning organisation is not so much about introducing expensive and innovative learning programmes but rather changing the way that work is organised so that the work itself is conducive to learning.

When people have the motivation to think for themselves and cooperate with each other across the organisation, sharing their knowledge and engaging in collaborative problem solving, they are building the fabric of a learning organisation. This means that the content of the work is such as to

motivate people, engaging their commitment through giving them responsibility (see van Woerkham et al., 2003). In other words, the work is stretching their potential thus leading to their development. The kind of work can be called 'developmental work'. It is a prerequisite for organisational learning.

To explain the relationship between developmental work and organisational learning, Ellström (2003) uses a conceptual framework developed within the field of 'cognitive action theory'. He outlines an 'action-learning cycle' to depict the dynamic interaction between subjects, (individuals and groups of individuals), a series of actions or work tasks, and the external organisational context or environment.

Taking up these points, this section looks first at the nature of the actions or work tasks that can be said to form developmental work, which in turn leads to what is termed developmental learning (Ellström). Second, the work and learning context or environment that supports developmental learning is discussed. Finally, the notion of informal learning, which is central to developmental learning, is briefly examined.

4.3.1. The nature of developmental work that makes for developmental learning

According to Ellström, developmental learning is fostered when the actions or work tasks to be undertaken are 'knowledge based' or require ' reflection' or 'evaluation' as distinct from those actions that are 'rule-based' or entail 'routines'. In other words, the potential for developmental learning is increased when people have challenging tasks to undertake and are facilitated to learn from doing those tasks through being supported to reflect on, and learn from, those tasks.

Ellström identifies the following characteristics of developmental work that promote developmental learning:

(a) high degree of task complexity – variety and control regarding the 'actions' being undertaken;
(b) high degree of task-relevant knowledge required – offering possibilities for personal development;
(c) opportunities for feedback, evaluation and reflection on work undertaken that requires deliberation and choice;
(d) possibilities for employee participation in shaping the design of the work environment and bottom-up collective learning, as distinct from more formalistic top-down and standardised approaches;
(e) formal participation in problem handling and developmental activities.

In elucidating what is meant by developmental learning, Ellström presents a four level taxonomy according to which there are two higher forms of learning, classified as developmental learning and two lower forms of learning that are called adaptive learning ([35]). Whereas the two higher forms of learning allow for more learner autonomy, responsibility and control over how work tasks are to be handled, the two lower forms of 'adaptive learning' have to do more with following laid down procedures dealing with, for example, routine problems.

Ellström describes the highest form of developmental learning as creative learning. Creative learning takes place when people within an organisation 'begin to reflect upon and transform established ideologies, routines, structures and practices'. This higher form of learning is often triggered by contradictory demands in the present context, which may entail transformation of one's context. Engeström (2001; 1987; 1991) refers to this as 'expansive learning' or 'expansive transformation': 'An expansive transformation is accomplished when the object and motive of the activity are reconceptualised to embrace a radically wider horizon of possibilities than in the previous mode of the activity. A full cycle of expansive transformation may be understood as a collective journey through the zone of proximal development of the activity' (Engeström, 2001: p.137).

Whereas adaptive learning has to do more with learning to understand and work within the framework of the 'structure', developmental learning is more about constructing or enacting new ways of thinking about company products or working processes - doing things differently, envisaging the future ([36]).

4.3.1.1. *The importance of adaptive learning - getting the balance right*

However, despite acknowledging the importance of developmental learning, Ellström (2003) stresses that 'adaptive learning' should not be played down. On the contrary, in a balanced organisational learning context, the different varieties of learning coming under the headings of 'developmental learning' and 'adaptive learning' should not be opposed but seen to complement each other. What seems to be required is a productive balance and a kind of pendulum movement between these basic varieties of organisational learning. The aim should be to stimulate learning that is congruent across different levels within the hierarchy of learning, congruent both with each

([35]) For detailed explanations on these four levels see Ellström (2003).

([36]) See Bateson (1972) for his distinction between the different levels of learning and Argyris and Schön (1978) for their distinction between single-loop and double-loop and deutero learning and also Mintzberg et al. (1995) for the distinction between strategy and tactics from a management point of view.

other and with the overall aims and aspirations of the organisation and changes in the external environment (Ellström, 2003). This also entails adapting oneself to realities and, indeed, often unpleasant realities in the external environment over which one cannot exercise any control.

4.3.2. Work and learning environments to promote developmental learning

Morgan (1997) asserts that while leaders of organisations cannot create a learning organisation, they can do something about enhancing people's capacity to learn. We have seen that developmental work tasks is one of the conditions for doing this. However, developmental work tasks cannot be separated form the organisational and learning environments in which they are located.

Fischer (2003) has identified the following five criteria for the establishment of an organisational work and learning environment which promotes learning at an organisational level:

(a) *workers receive immediate feedback on work results*
The aim is to provide regular feedback on the tasks being undertaken. This promotes the completion of the action-learning cycle, thus creating a work-based reflection and learning culture. This can be achieved through forming direct relationships with the customer of a product or service - both inside and outside the company;

(b) *adoption of the principle of self-organisation and self-control*
This is related to the concept of semi-autonomous teams who are given the authority to 'reorganise internal production processes to enable new products to be introduced into the market very quickly. This gives companies an edge over their competitors'. A learning organisation is one that has the capacity to continuously restructure itself to meet new demands (for example, unexpected orders from customers, disruptions due to breakdown of equipment). But this can only be implemented through a decentralised work organisation in which workers are empowered to plan and control their own work;

(c) *integration of work and learning*
The integration of work and learning is a deliberate corporate strategy that follows from point (b) above and relates to the capacity of teams within an organisation, and indeed the organisation as a whole, to learn to address new demands as they arise during work. Learning cannot take place in advance simply because the nature of the demands cannot be predicted in advance. (Of course, even if this were possible, it still would not be feasible due to the training costs involved.) However, such

learning at work cannot be realised unless time is allocated and learning support systems, such as work-oriented learning schemes, are in place;

(d) sharing knowledge and experience within the company
As the 'local' knowledge of the employees is seen to be the key to a company's competitive edge, formal and informal systems need to be in place to allow an exchange of knowledge and experience. Thus, employees are encouraged to keep records of the knowledge they are using in their work. Organisational processes such as quality circles can be used to do this. Technical tools such as computer-based knowledge management systems are also necessary to support knowledge sharing;

(e) networking and benchmarking
Inter-company cooperation implemented by means of informal and formal networking strategies is encouraged to share knowledge and experiences between companies. Benchmarking techniques allow companies to compare themselves with each other.

Many of the points made by Ellström (2003) and Fischer (2003) were corroborated in a Norwegian study (Skule and Reichborn, 2002) ([37]) which looked at workplace conditions that promoted learning – what was referred to as 'learning-conducive work'. The Norwegian study identified the following factors that promoted learning at work:

- high degree of exposure to change, referring to the degree to which employees are exposed to changes in the form of new technology and new work methods;
- high degree of exposure to demands – the degree to which employees are exposed to demands from customers, management or their colleagues;
- managerial responsibility – the degree of managerial responsibility in one's job;
- external professional contact – the degree of opportunity to participate in professional forums outside of the company, conferences, trade fairs, learning through contacts with customers and suppliers;
- direct feedback – the degree of opportunity to learn through seeing the direct results of one's work;
- management support for learning – the degree to which employees receive management support and encouragement for learning;
- reward for proficiency – referring to being promoted in one's job, being offered more interesting work and receiving a higher salary (see pp. 35-36).

([37]) Cedefop published an English language version of this study.

4.3.2.1. *Importance of a supportive learning environment*

As outlined above, by Fisher (2003) and Skule and Reichborn (2002), developmental or learning conducive work tasks on their own do not make for learning. A supportive work and learning environment is necessary in which people get feedback and are encouraged to take time out for reflection; and are provided with learning resources in the form of work based education and training schemes. Van Woerkham et al. (2003) stress the importance of motivation factors that promote work based informal learning. These reflect the feelings among employees that they are socially integrated in the workplace, have a certain autonomy and a basic degree of competence to begin with. Ellström (2003) refers to the need for learning resources and support and time for interaction among workers in the analysis of, and reflection on work situations.

The role of the manager, therefore, and those with responsibility for guiding learning, from the internal HRD department, is to help set up an arena for learning through which the intelligence of everyone in the organisation is harnessed. This arena can be seen as a 'zone of proximal development' in the organisation's activity system (see Vygotsky, 1978, 1987) and Engeström (1987). It is a space within the organisation where issues regarding the tensions between the different dimensions and demands of the organisation can be addressed and used as occasions for learning. According to Engeström:

> 'The zone of proximal development of the activity is the distance between the present everyday actions of the individuals and the new forms of societal activity that can be collectively generated as a solution to the double bind potentially embedded in the everyday actions' (Engeström, 1987: p. 174).

Learning in the zone of proximal development can be by means of frameworks such as Total Quality Management as mentioned by Franz (2003a), which he described as 'a theory of learning linked to a quest for quality'.

4.3.3. The importance of informal learning

An empirical Europe-wide study undertaken by Cedefop in the mid 1990s, on the learning effects of work organisation, examined the extent to which the adoption of 'new' horizontal and team-work forms of work organisation had an impact on the development of frontline workers' skills and competences (Mehout and Delcourt, 1997) ([38]). The study showed that, while traditional formal training and learning activities were still the dominant ones in the European organisations surveyed, there were numerous examples of the growing importance of informal learning in different sectors of industry. Workers were learning due to the fact that they had autonomy to shape the way work was planned and carried out, for example, in semi-autonomous teams. In other words, as a by-product of actively influencing how the tasks of the organisation were carried out, workers learned new knowledge and skills. Or, to put it another way, the introduction of new work organisation principles had informal learning effects. Although there was no sign of convergence towards a uniform pattern across the nine European countries surveyed, there was clear evidence of the emergence of various combinations of informal and formal learning taking place in the companies surveyed.

The Norwegian study went further, showing that 'learning through daily work' or informal learning scored significantly higher than 'organised training at work' and 'vocational training/school studies' for both employees and employers (see Skule and Reichborn, 2002: p.14). A comprehensive study of some of the top American companies by the Education Development Center (EDC) concluded that '70 % of what people know about their jobs they learn informally from the people they work with' (Dobbs, 2000: p.54). Companies in which a high level of informal learning was taking place were termed 'teaching firms', a concept very similar to that of the learning organisation. A teaching firm is defined as one that 'creates an environment in which teaching and learning are institutionally and culturally embedded in the organisation' (Stamps, 1998: p.32). Bjørnåvold (2000: p. 205) defines informal learning as 'learning resulting from daily life activities related to work, family or leisure. It is often referred to as experiential learning and can to a certain degree be understood as accidental learning' ([39]).

([38]) Forty seven case-studies, comprising manufacturing, process and service-sector companies, were undertaken in the following nine countries - Belgium, Denmark, France, Germany, Italy, Netherlands, Portugal, Spain and the United Kingdom.

([39]) Bjørnåvold focused on the issue of informal learning in the context of a Cedefop Europe-wide study dealing with the identification, assessment and recognition of non-formal learning in Europe.

4.4. Creating a culture of learning - who leads the learning organisation?

The emphasis on self-organised learning and informal learning gives some people the impression that learning somehow takes place all by itself without any intervention from leaders or teachers. However, as depicted on the right hand side of Figure 4 (see page 43), the implementation of a learning organisation entails the adoption of a new form of management that is able to give the lead in promoting intangible resources such as the willingness to collaborate in sharing knowledge throughout the organisation. This is what is meant by fostering a culture of learning. This has to be fostered, promoted, through winning people's commitment rather than the mere establishment of structures or setting up a HRD department.

In their analysis of European firms, Docherty and Nyhan (1997) identified the leadership role of the role of the Chief Executive Officer (CEO) as being a key factor in building companies that place a value on learning as a strategic company policy. This entails a degree of risk as the manager is moving out of the comfort zone of being a manager of structure to that of fostering a culture. The chief executive, with the support and assistance of the HRD department, therefore, is the lead teacher in the learning organisation fostering an ethos of mutual learning and mutual teaching at all levels throughout the organisation. This entails paying attention to the intangible and tangible dimensions of the organisation. According to the EDC study mentioned above, a teaching firm, is one 'in which teaching and learning are *institutionally* and *culturally* embedded in the organisation' (Stamps, 1998: p.32).

4.4.1. **The learning and teaching organisation**

In arguing for equal emphasis for organisations to be 'teaching' and 'learning' organisations, French and Bazalgette (1995) state that the main role of the chief executive is 'setting the context'. They see setting the context as 'a teaching activity'.

If managers set a context that respects collaborative learning based on transparency and openness, they are teaching the members of an organisation about how to engage in mutual learning.

On the other hand:

> 'if a manager manages by means of manipulation or personality, rather than through the authority inherent in the role – or if organisational structures shift more or less arbitrarily, then the conditions for learning become, as it were, contaminated. Instead

> of encouraging creative learning, it is the unreliability of the system that is learned, and each individual is simply left with their anxiety or insecurity increased'.
>
> (French and Bazalgette, 1995: p. 9)

French and Bazalgette argue that all organisations include experiences and activities which can be described as 'teaching' and 'learning', but that despite being as intrinsic to organisations as learning, teaching has been ignored as an organisational process and needs attention in its own right, if the picture is to be complete. Hence the title of their paper – *From 'learning organisation' to 'teaching-learning organisation'*.

Learning cannot take place of its own accord without teaching or leadership. An 'activity system' is sustained through an engagement between the objective (teaching) and the subjective (learning). But, everybody in the organisation has a teaching role as well as a learning role. This is illustrated very clearly in informal learning which is as much a result of informal teaching as informal learning.

4.5. The role of HRD and VET in promoting the learning organisation – challenges and opportunities

The emphasis placed on the responsibility of the chief-executive to lead the learning organisation does not detract from the key roles to be played by human resource development (HRD) and vocational education and training (VET) professionals. Their main tasks are to provide specialist advice and support to chief-executives (or more broadly in the case of VET, also addressing the needs of a range of policy makers) in understanding the central issues at stake in promoting an organisational learning culture and drawing up long-term sustainable strategies/policies. The HRD and VET professionals also have to provide consultancy and support to those working in the field in implementing organisational learning actions.

However, the above tasks raise a number of major challenges for HRD and VET professionals. Their traditional role is changing from being a formal direct training and development one to that of a consultancy (indirect training) one, concerned with fostering joint learning and training among all the actors working in an organisation. The major transition that HRD and VET professionals are going through in taking on this new role is discussed in the papers of Tomassini (2003), Sambrook et al. (2003), Poell and Chivers (2003), and Nyhan (2003) in Volume II.

Section 4.5.1. draws together some of the key points arising from these papers looking more specifically at enterprise-focused HRD issues. The next section (4.5.2.) looks at the challenges that the learning organisation raises for VET systems, focusing in particular on Germany where the VET tradition is strongly embedded.

4.5.1. Challenges faced by human resource development

The empirical Europe-wide research of Sambrook et al. and the UK based study of Poell and Chivers show that the implementation of the new learning organisation-oriented HRD thinking (according to which training and learning are embedded within everyday operational work activities) is making lots of new demands on companies and on HRD professionals. Poell and Chivers found plenty of evidence of a change in managers' thinking about learning and the role of the HRD department. According to current strategies 'training is no longer being put forward as a separate activity' but rather is 'embedded in company strategy' and 'strategically aligned to the organisational mission in supporting the business'. In this regard, the implementation of HRD is increasingly becoming the responsibility of line managers (see Sambrook et al.) or, to quote Poell and Chivers, the 'responsibility for direct training rests outside of the training department'. From the point of view of the role of the HRD department, the focus of their work is on work-based learning. This means that HRD professionals have to move into what, for them, are 'non-traditional roles such as providing practical support to line managers to undertake the training' that they previously undertook (see Sambrook et al., 2003).

However, despite the prevalence of the widespread usage of the new language of organisational learning, there are many barriers and blockages to the implementation of the above strategies. Resistance is coming both from HRD professionals and line mangers. Poell and Chivers state that 'line managers resent being made responsible for training issues formerly dealt with by trainers' and that some trainers resist taking on a facilitative consultancy type role. Fischer (2003), in discussing the German situation, also points out that the new understanding that learning is occurring in an embedded way in all companies is posing problems for VET departments. Poell and Chivers state that, according to the views of external HRD consultants, problems are arising because managers have only a superficial understanding of the implications of implementing a learning organisation strategy. These consultants point out that they sometimes find themselves 'educating the management rather than the operatives' who were perceived by management to have 'been the problem in the first case'.

On the basis of this evidence it would appear that the naïve, and very often top-down and structural approaches to organisational change, discussed earlier, are holding sway in many companies. As the last comment of Poell and Chivers above testifies, many senior managers are looking for overnight changes in HRD departments and line managers, without addressing their own need to change. Similarly, trainers and HRD consultants are not facing up to the fact that they must embrace change in a more radical way than their 'clients'. The second paper by Franz (2003b) in Volume II, traces the radical internal changes that needed to take place and did take place within a research and consultancy agency to enable it to take up its role in fostering bottom-up business development in its catchment area around Dortmund.

Clearly the complexity of implementing organisational learning raises many questions that are much wider than the traditional scope of HRD. Tomassini (2003) goes further in stating that learning organisation thinking must embrace the concept of knowledge creation. He refers to the work of Nonaka and Konno (1998) who have criticised what they see as the more limited problem-solving concept of learning of Argyris and Schön (1978) as distinct from their view of learning as a knowledge creation process. Kruizinga (2001) pointed out that even forward-looking HRD departments are in danger of loosing their relevance because they are tending not to participate in, or even to ignore, key debates within the organisation about knowledge development and knowledge management ([40]). This can be seen as 'wake-up call' for HRD and VET professionals to begin to addressing more the 'intangible' dimensions of an organisation where collective knowledge (or intellectual and social capital) cannot be pinned down under traditional learning or training classifications.

From a more strategic perspective about the future direction of HRD in Europe, Nyhan (2003) raises two scenarios for HRD policy makers to consider. One is to go along with a deepening of the more globalised *instrumental-utilitarian* way of looking at HRD while the other approach favours more the *humanistic-developmental* tradition which attempts to respond to the competitiveness needs of enterprises while also addressing individuals' lifelong learning needs as a social goal.

([40]) Kruizinga (2001) asserted that senior management in knowledge-based companies often tend to bypass in-house HRD staff, going directly to external knowledge-development consultants for guidance.

4.5.2. Challenges for VET – balancing the needs of the company with wider societal needs

Fischer (2003) takes up the last point in a German context, pointing out that learning organisation-oriented HRD thinking is at variance with the objectives of the traditional vocational education and training (VET) system. He states that while the learning organisation notion is about permanent change - continuing transformation - the German dual VET system is 'working against the idea of permanent change in seeking to promote social stability through regulatory frameworks'. In this regard, he says that the German concept of *Beruf* (occupational or professional identity) is regarded by some of those espousing learning organisation and HRD perspectives to act as a barrier to corporate restructuring and change. The *Beruf* concept is seen to be both an internal barrier, preventing workers from taking on new tasks, and also an external barrier that restricts peoples' room for manoeuvre because their occupations are defined in relation to a limited number of work tasks and are bound by rather rigid qualification and remuneration systems. In this regard, Reimann (2003) illustrates how the traditional German system is undergoing strains in the banking sector which is very much open to globalisation, leading to pressures for greater flexibility.

In looking at ways in which the clash of interests between VET and HRD could be resolved in a German context, Fischer (2003) summarises a discussion about this matter that took place among HRD managers in a number of large German companies such as Bayer, IBM, Siemens and Volkswagen. The following three scenarios are put forward:

(a) *conservative position*
The existing VET system as a semi-autonomous department within the company should be retained. The dual system building around clear occupational profiles is considered to be flexible enough to be capable of being reformed to meet the needs of modern enterprises;

(b) *integration of VET and HRD*
In many companies VET and HRD are being successfully integrated within one department. It is argued that the integration of work and learning makes it inefficient to have a separate VET department;

(c) *outsourcing and privatising VET*
Companies that have adopted this approach, such as Volkswagen, see VET as a service that has to be negotiated and paid for. Employees are encouraged to take responsibility for their own learning – sometimes doing so in their own time and even paying for it themselves. This latter approach differs very much from the former practice where the contribution of VET was located within a much wider socio-economic framework.

Fischer concludes by saying that while the debate continues in Germany about who should benefit most from in-house training – the company or the individual – it is becoming very difficult to strike the right balance in today's world dominated by global competition. Nevertheless, despite these difficulties, he argues that we should strive for a solution which accommodates both interests in an equitable way.

4.6. Closing remarks

Chapter four has discussed the nature of the integrated work and learning fabric of a learning organisation. For this fabric to be woven the following principles need to be followed. There is no room for the 'quick-fix'. What are seen as negative or conflicting circumstances can be occasions for making a leap forward in starting to address the real issues. The nature of the work environment in the organisation must promote human development. 'Developmental work' fosters human development that leads to organisational learning, provided workers receive guidance and support from their managers and HRD and VET professionals. In all of this, the Chief Executive of the company is the key person who leads and protects the organisation in following learning organisation principles. However, chief executives cannot manage without the assistance of specialised HRD and VET staff.

As has been stressed throughout this book, the implementation of learning organisations is a complex affair and there are bound to be many mistakes made along the way. The most important thing, however, is taking up and staying with the challenge.

CHAPTER 5

Concluding comments – taking the agenda forward

The objective of this book has been to draw together different strands of European research dealing with the issue of the learning organisation. It has attempted to identify and discuss the key points emerging from this research, with a view to promoting debate and contribute towards a future European research and development agenda.

The book has located itself within a European context promoting shared understandings about how Europe can address its goals in relation to becoming a knowledge society and implementing a lifelong learning area. The learning organisation challenge is seen to be central to addressing these goals. To do so however, the European concept of the learning organisation must bring educational benefits to individuals as well as strengthening the organisational effectiveness of enterprises and public bodies. Europe, conceived as a 'locality', can draw on its own distinctive traditional strengths to shape its future course and build new European learning organisations. This entails learning from its past history but also developing a capacity to be prospective in identifying and facing up to the issues on the new agenda.

This book and the Cedra learning organisation project it is reporting on, must be seen as no more than a stage in the exploration of how people can take this agenda forward. In looking at past research agendas we have seen that some authors were wedded to the need to promulgate the 'one best way' or the formula to be followed to become a learning organisation. However, the future agenda will have to move away from the search for the one best way and begin to draw on multiple sources – based on human and economic goals and values and organisational and educational learning theories. In this regard, the learning organisation serves as *a visionary image that enables organisations to understand their contexts, make sense of their practice and exploit their own unique situations to meet economic and social goals for the benefit of all.*

By way of making some final remarks, picking up a number of the main points made in this book, and drawing attention to issues for a future European research agenda that could not be addressed within the limited scope of this project, this book concludes with the following four observations:

First, the complexity of organisational learning theory and practice must be seen as nothing more that a reflection of the complexity of modern life. Second, in order to further develop the concept the learning organisation, a multidisciplinary research approach is required. Third, in order for learning organisations to survive, the support of wider societal inter-organisational learning frameworks are necessary. Finally, action-research and interactive research methodologies that take 'practice-based' knowledge and experience into account are called for.

5.1. The complexity involved in building learning organisations

Many people have tried to simplify the task of constructing learning organisations through devising normative formulas. However, these do not do justice to the concept and, in fact, have discredited it. Organisational learning raises a complexity which is not amenable to easy resolution, neither at a theoretical or practical level. However, this complexity reflects the reality that organisations cannot avoid confronting. The competitiveness and productivity of enterprises is intimately determined by a complex web of contextual influences, both in the their internal and external environments. The modern economy is not homogenous. It is an intricate mix of the new and the old, of the large scale and the small, of the systematised and the irregular.

The learning organisation concept is put forward as an interpretative framework for understanding and dealing with this complexity. The European perspective on the learning organisation attempts to address economic and social objectives in a balanced way taking the needs of different interests within organisations into account. A balance has to be struck between the interests of the organisation and the interests of individuals. Managers in organisations have the complex task of mediating the dialogue between these different demands, attending to each of them in due fashion and not splitting one off from the other as the main focus of attention. Managers also have to pay due attention to fostering the *informal* (intangible and subjective) dimension of an organisation as well as the *formal* (tangible and objective) dimension. This is a *both/and* rather than an *either/or* strategy.

The learning organisation today is about everybody in the organisation contributing to the collective stock of knowledge. In fact, this knowledge is distributed throughout the heads of all of the people in the organisation who have created it, or who are at present 'holding' it. It is an intangible resource embedded in 'the collective mind', forming *the culture* or what Prahalad and

Hamel (1990) refer to as the 'core competence' of an organisation. As discussed in Chapter 4, Kruizinga (2001) pointed out that in the discussions taking place within organisations along the above lines, HRD and VET departments are in danger of being by-passed, losing out to newly created strategic knowledge development departments.

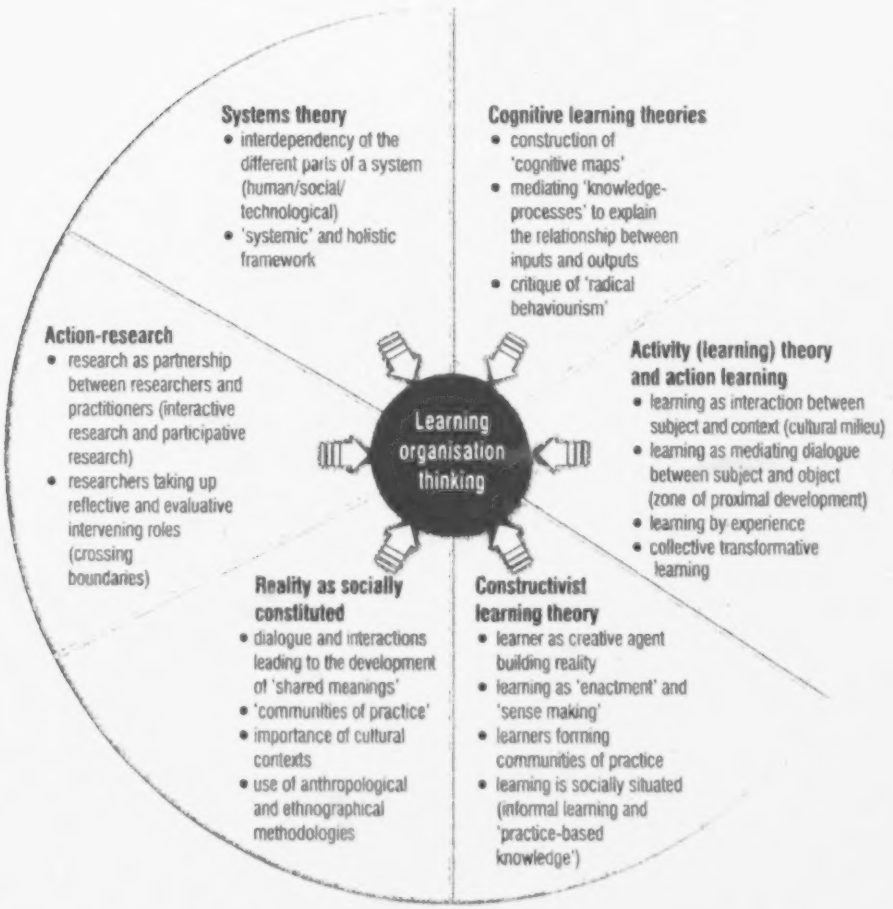
5.2. Cross-disciplinary research – integrating organisational and learning theories

An outstanding feature of the papers in Volume II and the recent literature on organisational learning and knowledge development is the move towards a widening and a deepening of the concept of learning. There has been a movement away from individualistic, behaviouristic or overly cognitivistic theories towards cross-disciplinary theories that find a cohesion around the idea of learning as being a creative (constructivist) activity taking place in socially situated collective contexts.

In the Cedra project we have seen how largely different sources of academic thinking have had a cross influence on the learning organisation concept. Indeed, the project has brought together specialists from such diverse fields as – vocational education and training, organisational learning theory, knowledge development, sociology, psychology, industrial relations and human resource development. In this regard, the topic of the learning organisation has provided an overall framework for cross-disciplinary European research and development. In their overview of the evolution of organisational learning, Dierkes et al. (2001) have highlighted the tendency towards transdiciplinarity, noting the move away from a focus on psychology and the taking on board of concepts from anthropology, ethnography and knowledge development.

One of the main tasks on the new agenda is to continue cross-disciplinary explorations through boundary crossing between different disciplines. Figure 9 is an attempt to present an impressionistic overview of the manner in which different strands of organisational and learning thinking might interconnect and impact on each other in promoting cross-disciplinary learning organisation thinking.

Figure 9. **Making connections between 'organisational' and 'learning' strands of thinking**


Systems theory
• interdependency of the different parts of a system (human/social/ technological)
• 'systemic' and holistic framework
Cognitive learning theories
• construction of 'cognitive maps'
• mediating 'knowledge-processes' to explain the relationship between inputs and outputs
• critique of 'radical behaviourism'
Action-research
• research as partnership between researchers and practitioners (interactive research and participative research)
• researchers taking up reflective and evaluative intervening roles (crossing boundaries)
Learning organisation thinking
Activity (learning) theory and action learning
• learning as interaction between subject and context (cultural milieu)
• learning as mediating dialogue between subject and object (zone of proximal development)
• learning by experience
• collective transformative learning
Reality as socially constituted
• dialogue and interactions leading to the development of 'shared meanings'
• 'communities of practice'
• importance of cultural contexts
• use of anthropological and ethnographical methodologies
Constructivist learning theory
• learner as creative agent building reality
• learning as 'enactment' and 'sense making'
• learners forming communities of practice
• learning is socially situated (informal learning and 'practice-based knowledge')

A characteristic of the theories outlined in Figure 9 is their openness and capacity to engage in boundary-crossing and mutually influence each other in creating new theories to explain emerging practices. A common feature is their focus on the interactive dynamics between the *subject* and the *context*. Although, an adequate elaboration on the specific theories of the authors, both classical and modern, represented under each of the broad heading in Figure 9, is way beyond the scope of this book, by way of illustration, a few brief references can be made to some of them who are considered important in addressing the future agenda.

In revisiting and developing further the 'activity (learning) theory' of Vygotsky (1978, 1987), Engeström (1987, 1991, 1994, 2001) has brought

BEST COPY AVAILABLE

attention to the fact that learning entails a mutual relationship between subjects and their cultural milieu. While the latter is a shaping influence, at the same time, subjects are active agents who in turn create and shape their cultural milieu. Engeström emphasises the creative *engagement between the subjective and the objective* which takes place in an 'activity system' such as an organisation. Learning is about the mediation and production of knowledge within an 'activity system' (see also Blackler, 1993).

Lave and Wenger (1991) emphasise a *subjectivist* perspective on learning seeing it as a constructivist process. Learning takes place within 'communities of practice' where people make sense of their constantly changing work organisational contexts. Through their informal learning they construct knowledge that shows them how they can carry out their work tasks (see also Wenger 1998). In their study of communities of practice in the Xerox company, Brown and Duguid (1991) illustrate the gulf between the *formal and official* knowledge set out in the company repair manuals and the *informal and unofficial* experience-based knowledge that the repair staff use in actually carrying out repairs. This informal 'practice based knowledge' is generated by means of collaborative learning within the repair workers' community of practice. O'Donnell et al. (2002) explore how Habermas's theory of 'communicative action' could enable 'communities of practice' theory to move from a focus on the achievement of instrumental goals to that of fostering 'communicative understanding' (see Habermas, 1972; also see Gustavsen, 1988 and Naschold, 1993a).

Other classical sources such as those of Miller and Rice (1967) and Emery and Trist (1965, 1969) in relation to 'systems-theory thinking', Revans (1980) on 'action-learning' and Dewey (1933) whose theory of learning focuses on the interaction between experience and reflection and between community and democracy, have major contributions to make in devising explanations on how organisations can learn today.

5.3. Inter-organisational learning in the learning economy

The sustainability of individual learning organisations requires inter-organisational learning in a wider societal framework. This entails looking beyond learning in individual organisational units, be they private enterprises or public bodies, and moving towards understanding and seeing how these units can interrelate and collaborate with each other in constructing a dynamic European 'learning economy' (Lundvall and Borrás, 1999).

186

Initiatives are needed, therefore, to promote greater inter-organisational learning and new forms of social partnership learning by means of network-based interactions between a mix of institutions and organisations. These would include those in the education and training and research and development fields, embracing both private and public sectors (see Franz, 2003b and Nyhan et al. 2000 on the concept of the 'learning region'). Dierkes et al. (2001) refer to a movement away from a too narrow focus on business towards learning networks comprising public administrations as well as enterprises.

The case studies of Cressey (2003) in the telecom sector and Reimann (2003) in the banking sector show that the wider industrial relations frameworks, having an impact on working life issues such as - professional identity, mobility, flexibility, job security, retraining and lifelong learning - have to be renewed in today's context. Commenting on the evolution of the European social model, Hyman (2001) discusses trends to widen the ambit of traditional social dialogue to include other social actors. In calling for a more dynamic and representative European forum for social dialogue, he draws attention to the movement in which special interest groups, representing what is referred to as 'civil society', are entering a 'civil dialogue' process. Hyman points out that the wide ranging solidarities that need to be constructed in this context call for intensive step-by step learning (Hyman, p.560).

While the issue of inter-organisational learning in the learning economy is an important one, an adequate analysis of it is beyond the scope of this book. However, some exploratory ideas, drawing on earlier discussions in the book about the dynamics of learning within a single organisation, can be put forward as a contribution towards understanding the nature of this wider form of learning. In this regard, Annex 2 presents some hypothetical ideas about how an enlarged and transformed notion of the learning organisation framework discussed in Chapters 3 and 4, could act as a suitable metaphor to shed light on the kind of learning that needs to take place between the different societal actors in constructing a learning economy. This requires intensive organic learning along learning organisation lines, encompassing a range of different organisations, interest groups and social partners.

5.4. The role of research

The implementation of the Cedra learning organisation project has given rise to discussions about the role of research in building learning organisations. Clearly, positivistic-science based methodologies, founded on the formulation of causal laws, quantitative measurements and the eradication of subjective factors, cannot capture the qualitative and transformative nature of organisational learning. Rather, methodologies are required that can enter into work-based narratives, interrogating the social construction processes taking place. These methodologies must be capable of apprehending the contribution of subjective reflection and dialogical processes in the construction of learning organisations.

This of course raises the issue of the role of researchers in the actual learning organisation construction process. It is argued here that the position adopted by research professionals within HRD and VET cannot be purely objectivist and detached but rather must take the form of an engagement with policy makers and practitioners in jointly building new constructs. This is based on the argument that 'research cannot avoid being active in creating those practices that constitute the context of the research process. Or to phrase it a different way, the research process cannot be separated from the context in which it unfolds. (So) rather than ask research to describe characteristics of the innovation process, one may instead ask research to involve itself in the innovation process – actually to innovate' (Gustavsen, 2001, p.3).

While research obviously has to play a critical role, this cannot take the form of a deconstructionist or a neutral 'sitting-on the fence' approach. 'Action-research' or what is termed 'inter-active research' approaches (according to which there is interaction between the concerns of practitioners and the scientific criteria of research) are called for. This is in line with new thinking about knowledge development as a co-production or joint learning process between researchers and practitioners (Gibbons et.al. 1994).

5.5. Final comment

European policy makers have embraced a visionary goal to make an area of lifelong learning a reality in Europe. The Cedra learning organisation project has acted as a forum for researchers to explore ways in which work organisations can make a contribution to implementing this goal. This is based on the premise that the organisations in which people work can also become organisations in which they learn. It is argued here that the challenge faced by European organisations is to become learning organisations that promote competitiveness goals as well as foster the human development of all their members.

The need for learning organisations is likely to grow in the future as knowledge becomes more and more important for economic activities as well as being the key for individuals to participate fully in work and different aspects of social life. Consequently, learning agendas must be continuously reformulated to deal with the new demands. Research has a major role in framing and addressing these new agendas. This entails mediating change through fostering innovative thinking but also supporting the practical initiatives that need to be taken in facing up to the learning organisation challenge.

References

Argyris, C.; Schön, D. *Organisational learning: a theory of action perspective*. Reading, Mass.: Addison-Wesley, 1978.

Bateson, G. *Steps to an ecology of mind: collected essays in anthropology, psychiatry, evolution and epistemology*. San Francisco: Chandler, 1972.

Berger, P.L.; Luckmann, T. *The social construction of reality*. New York: Doubleday, 1966.

Bernstein, R. J. *Beyond objectivism and relativism: science, hermeneutics, and praxis*. Philadelphia: University of Pennsylvania Press, 1988.

Best, M.H. *The new competition: institutions of industrial restructuring*. London: Polity Press, 1990.

Blackler, F. Knowledge and the theory of organizations: organizations as activity systems and the reframing of management. *Journal of Management Studies*, 1993, Vol. 30 (6), pp.863-884.

Bjørnåvold, J. *Making learning visible: identification, assessment and recognition of non-formal learning in Europe*. Luxembourg: Office for Official Publications of the European Communities, 2000.

Braverman, H. *Labor and monopoly capital: the degradation of work in the twentieth century*. New York: Monthly Review Press, 1974.

Brewster, C. et al. Trends in European HRM: signs of convergence? *In*: Kilbride, P. (ed.) *Human resource management in the new Europe of the 1990s*. London: Routledge, 1993.

Brown, A.; Keep, E. Competing perspectives on workplace learning and the learning organisation. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Brown, J.S.; Duguid, P. Organizational learning and communities-of-practice: Towards a unified view of working, learning, and innovation. *Organization Science*, 1991, Vol. 2 (1), pp.40-57.

Burns, T.; Stalker, G.M. *The management of innovation*. London: Tavistock Publications Ltd, 1961.

Centre INFFO, Vers une organisation apprenante, Paris, 1997.

Cook, S.; Brown, J.S. Bridging epistemologies: the generative dance between organisational knowledge and organisational knowing. *Organisation Science*, 1999, Vol.10, No.4.

Corbett, J.M.; Rasmussen, L.B.; Rauner, F. *Crossing the border*. London: Springer Verlag, 1991.

Cressey, P. Implementing organisational change in British Telecom. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge – Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series).

Cressey, P.; Kelleher, M. The conundrum of the learning organisation - instrumental and emancipatory theories of learning. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Cyert, R.M.; March, J.G. *A behavioural theory of the firm*. Englewood Cliffs, New Jersey: Practice Hall, 1963.

de Geus, A. *The living company: growth, learning and longevity in business*. London: Nicolas Brealey Publishing Ltd, 1997.

de Geus, A. Planning as learning. *Harvard Business Review on Strategies for Growth*. Harvard Business School Press, 66/2: pp.70-74, 1988.

Dewey, J. *How we think. A restatement of the relation of reflective thinking to the educative process* (revised ed.). Boston: D.C. Hearth, 1933.

Dierkes, M.; Marcus, A.; Antal, A-B.; Hedberg, B.; Pawlowsky, P.; Stopford, J.; Tsui-Auch, L.S. (eds.) *The annotated bibliography of organisational learning*. Wissenschaftszentrum Berlin fuer Sozialforschung, 1999.

Dierkes, M.; Antal, A-B.; Child, J.; Nonaka, I. (eds.) *Handbook of organisational learning and knowledge*. Oxford: Oxford University Press, 2001.

Dobbs, K. Simple moments of learning. *Training 35*, No.1 (January 2000): p. 52-58.

Docherty, P.; Nyhan, B. (eds.) *Human competence and business development*, Berlin: Springer Verlag, 1997.

Du Roy, O. A new plant designed as a learning organisation: Aluminium Dunkerque. *In*: Docherty, P. and Nyhan, B. *Human competence and business development*. London: Springer Verlag, 1997.

Drucker, P. *Post-capitalist society*. Oxford: Butterworth Heinemann, 1993.

Drucker, P. The age of social transformation. *Atlantic Monthly*, November 1994.

Easterby-Smith, M. Disciplines of organisational learning: contributions and critiques. *Human Relations*, 1997, Vol. 50 (9), p.1085-1113.

Elliot, J. Living with ambiguity and contradiction: the challenge for educational research in positioning itself for the 21st century. Paper delivered at the *European Conference on Educational Research*, Ljubljana, September 1998.

Ellström, P.-E. Developmental learning - a condition for organisational learning. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Emery, F.E.; Trist, E.L. Socio-technical systems. *In*: Emery, F.E. (ed.) *Systems thinking*. London: Penguin, 1969.

Emery, F.E.; Trist, E.L. The casual texture of organisational environments. *Human Relations*, 1965, Vol.18, No 1, pp. 21-32.

Engeström, Y. Developmental work research: reconstructing experience through expansive learning. *In*: Nurminen, M.I.; Weir, G.R.S. (eds.) *Human jobs and computer interfaces*. Amsterdam: Elsevier Publisher, 1991.

Engeström, Y. Expansive learning at work: toward an activity theoretical reconceptualisation. *Journal of Education and Work*, 2001, Vol. 14, No.1, p. 133-155.

Engeström, Y. *Learning by expanding: an activity-theoretical approach to developmental research*. Helsinki: Orieta-Konsultit, 1987.

Engeström, Y. *Training for change: new approaches to instruction and learning in working life*. Geneva: International Labour Organisation, 1994.

Ennals, R; Gustavsen, B. *Work organisation and Europe as a development coalition*. Amsterdam: John Benjamins Publishing Company, 1999.

EPOC. *New forms of work organisation: can Europe realise its potential?* Group. Dublin: European Foundation for Living and Working Conditions, 1997.

European Commission: *Green paper on partnership for a new organisation of work*. Luxembourg: Office for Official Publications of the European Communities, 1996. (COM (97) 128, April 1997)

European Commission: Making a European Area of Lifelong Learning a Reality, 2001.

Findlater, J. Stimulating a thirst for learning - the case of the Guinness Dublin brewery. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Fischer, M. Challenges and open questions raised by the concept of the learning organisation. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Forslin, J.; Thulestedt, B.M. *Lärande organisation: att utveckla kompetens tillsammans* (Learning organization: developing competence together). Stockholm: Publica 1993.

Franz, H.-W. How organisations learn - a theory of learning and organisational development. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003a. (Cedefop Reference series)

Franz, H.-W. Learning to network - the transformation of a social research institute. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003b. (Cedefop Reference series)

French, R.; Bazalgette, J. *From 'learning organisation' to 'teaching-learning organisation'*. London: The Grubb Institute and Bristol Business School, 1996.

Garibaldo, F. *Modernisation of European industry: the role of skills and competencies*. Report to FAST. Mimeo, 1985.

Garratt, B. *The learning organisation*. London: Fontana, 1987.

Garratt, B. *Creating a learning organisation: a guide to leadership, learning and development*. Cambridge: Director Books, 1990.

Geissler, H. (ed.) *Organisationslernen und Weiterbildung* (Organizational learning and personnel development). Neuwied: Luchterhand, 1995.

Geissler, H. Vom Lernen in der Organisation zum Lernen der Organisation. *In*: Sattelberger, T. *Die lernende Organisation - Konzepte für eine neue Qualität der Unternehmensentwicklung*. Wiesbaden, 1991, p. 79-96.

Geissler, K-H.; Orthey, F-M. Im Strudel des Etikettenschwindels. Sprachspiel-Desperados erfanden die 'lernende Organisation'. *Süddeutsche Zeitung*, from 29-30, Juni 1996, pp.VI/1.

Gibbons, M. et al. *The new production of knowledge*. London: Sage, 1994.

Giddens, A. *The constitution of society: outline of the theory of structuration*. Berkeley: University of California Press, 1984.

Goleman, D. P. *Emotional Intelligence*. New York: Paperback, Bantam Books, 1997.

Goleman, D.P. *Working with emotional intelligence*. New York: Paperback, Bantam Books, 2000.

Guest, D. Human resource management and the American dream. *Journal of Management Studies*, 1990, Vol.27, No 4, pp. 377-397.

Gustavsen, B. Constructing learning regions: contributions from social research. Paper delivered at *Cedefop Agora: Promoting the learning region - education and training agencies taking a leading role in promoting innovation on a regional basis*. Thessaloniki, 16-17 March 2001.

Gustavsen, B. *Creating broad change in working life: the LOM programme*. Toronto: QWL Center, Ontario Ministry for labour, 1988.

Gustavsen, B.et al. *Paths of development*. Swedish Working Life Fund, 1995.

Gustavsen, B. et al. *Concept-driven development and the organisation of the process of change*. Amsterdam: Benjamins Publications, 1996.

Habermas, J. *Knowledge and human interests*. London: Heinemann, 1972.

Habermas, J. Interview with J. Habermas. *Frankfurter Allgemeiner Zeitung*, 27 June 2001 (English translation).

Hampden-Turner, C. *Charting the corporate mind: from dilemma to strategy*. Oxford: Basil Blackwell Ltd, 1990.

Hedberg, B. How organizations learn and unlearn. *In*: Nyström, P.C.; Starbuck W.H. (eds.). *Handbook of organisational design*. New York/London: Oxford University Press, p.8-27, 1981.

Heidegger, G. The social shaping of work and technology as a guideline for vocational education and training. *The Journal of European Industrial Training*, 1997, Vol.21, No 6/7, pp. 238-246.

Hofmaier, B., Building arenas for collaborative development in a Swedish context. *In*: Nyhan, B. (ed.) *Taking steps towards the knowledge society – reflections of the process of knowledge development*. Luxembourg: Office for Official Publications of the European Communities, 2002.

Hofstede, G. *Culture's consequences*. Beverley Hills: Sage, 1980.

Hofstede, G. *Cultures and organisations: software of mind - intercultural cooperation and its importance for survival*. London: McGraw-Hill, 1991.

Humphrys, J. Management experts know nothing about real work. *The Sunday Times*, 26 November, 2000.

Hutton, W. *The world we're in*. London: Little, Brown, 2002.

Hutton, J.; Bazalgette, J.; Read, B. Organisation in-the-mind. *In*: Neumann, J.E. et al. (eds.) *Developing organisational consultancy*. London: Routledge, 1997.

Hyman, R., Some problems of partnership and dilemmas of dialogue. *In*: Kjaergaard, C.; Westphalen, S.-A. (eds.). *From collective bargaining to social partnerships: new roles of the social partnerships in Europe*. The Copenhagen Centre, Copenhagen, 2001

ISVOR FIAT learning Organisation – Una billoigrafia ragionata, Presso Pozzo Gros Monti, Torino, 1993.

Jones, A. M.; Hendry, C. *The learning organisation: a review of literature and practice*. London: The HRD Partnership, 1992.

Kelleher, M.; Cressey, P. Social dialogue and organisational learning. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Kruizinga, E. Presentation made at Chartered Institute of Personnel and Development seminar on Workplace learning in Europe. London 1-2 April, 2001.

Lane, C. *Industry and society in Europe*. Aldershot: Edward Elgar, 1995.

Lave, J.; Wenger, E. *Situated learning: legitimate peripheral participation*. Cambridge: Cambridge University Press, 1991.

Lundvall, B.-Å.; Borràs, S. *The globalising learning economy: implications for innovation policy*. Report by European Commission. Luxemburg: Office for Official Publications of the European Communities (Eur 18307), 1999.

Lundvall, B.-Å.; Johnson, B. The learning economy. *Journal of Industrial Studies*. Vol. 1, 2, December, 1994.

Manning, S. The European human research development (EHRD) base. See *www.ehrd-portal.org* 2002.

March, J.G.; Olsen J.P. The uncertainty of the past - organisational learning under ambiguity. *In*: March, J.G. *Decisions and organisations*, p.335-358. Oxford: Basil Blackwell, 1987. (First published in *European Journal of Political Research*, 1975, Vol. 3, p.147-171.)

March, J.G.; Olsen, J.P. Organizational learning and the ambiguity of the past. *Ambiguity and choice in organisations*, edited by J.G. March and J.P. Olsen, p.54-68. Oslo: Universitetsförlaget, 1976.

Méhaut, P.; Delcourt, J. *The role of the company in generating skills: the learning effects of work organisation – synthesis report*. Cedefop, Luxembourg: EUR-OP, 1997.

Miller, E. Effecting organisational change in large complex systems: a collaborative consultancy approach. *In*: Neumann, J. et al. (eds.) *Developing organisational consultancy*. London: Routledge, 1997.

Miller, E.J.; Rice, A.K. *Systems of organisation: the control of task and sentient boundaries*. London: Tavistock, 1967.

Mintzberg, H.; Quinn, J.B.; Ghoshal, S. *The strategy process: European edition*. London: Prentice Hall, 1995.

Morgan, G. *Images of organisation*. Thousand Oaks, California: Sage, 1997 (2nd edition).

Morgan, G. *Imagin•i•zation of organisation - new mindsets for seeing organising and managing*. Thousand Oaks, California: Sage, 1997.

Nahapiet, J.; Ghoshal, S. Social capital, intellectual capital and the organizational advantage. *Academy of Management Review*, 1998, Vol. 23 (2), p.242-266.

Naschold, F. Organisational development: national programmes in the context of international competition. *In*: Naschold, F. et al. *Constructing the new industrial society*. Assen/Maastricht: Van Gorkum, 1993a.

Naschold, F. et al. *Evaluation report: commissioned by the board of the LOM programme*. Wissenschaftszentrum, Berlin, 1993b.

Nicolini, D.; Meznar, M. B. The social construction of organisational learning: conceptual and practical issues in the field. *Human Relations*, 1995, Vol. 48 (7), p.727-746.

Nonaka, I.; Konno, N. The concept of *ba*: building a foundation for knowledge creation. *California Management Review*, 40, 3, 1998.

Nonaka, I.; Takeuchi, H. *The knowledge-creating company*. New York: Oxford University Press, 1995.

Nóvoa, A.; Lawn, M. (eds) *Fabricating Europe: the formation of an education space*. Dordeecht: Kluwer, 2002.

Nyhan, B. Building learning organisation: putting theory to the test. *European Vocational Training Journal*, No.16, January-April 1999/1, p.14-23.

Nyhan, B. (ed.) *Developing people's ability to learn - a European perspective on self-learning competency and technological change*. Brussels: European Interuniversity Press, (1991).

Nyhan, B. Human resource development in Europe - at the crossroads. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Nyhan, B. Knowledge development, research and collaborative learning. *In*: Nyhan, B. (ed.) *Taking steps towards the knowledge society: reflections on the process of knowledge development*. Luxembourg: Office for Official Publications of the European Communities, 2002 (Cedefop Reference Series; 35).

Nyhan, B.; Kelleher, M. Learning in a social and systemic context - the learning organisation. *In*: Kämäräinen, P. *Transformation of learning in education and training - key qualifications revisited*. Luxembourg: Office for Official Publications of the European Communities, 2002 (Cedefop Reference Series; 37).

Nyhan, B.; Attwell, G.; Deitmer, L. (eds.) Towards the learning region - education and regional innovation in the European Union and the United States. Luxembourg: Office for Official Publications of the European Communities, 2000 (Cedefop Reference Series; 3006EN).

OECD. Knowledge management in the learning society. Paris: OECD, 2000.

O'Donnell, D; Porter, G.; Mc Guire, D.; Garavan, N.; Heffernan, M. Intellectual capital creation: a Habermasian community of practice perspective. Paper presented at *3rd Conference on HRD Research and Practice: Creativity and Innovation in Learning*. Edinburg, Scotland, 25-26 January, 2002.

Pedler, M. The need for self-learning organisations as part of an overall business/management strategy. *In*: Nyhan, B. (ed.) *Developing people's ability to learn*. Brussels: Eurotechnet, 1991b.

Pedler, M.; Boydell, T.; Burgoyne, J. *The learning company: a strategy for sustainable development*. London: McGraw Hill, 1991a.

Pieper, R. (ed.) *Human resource management: an international comparison*.Berlin: De Gruyter, 1990.

Piore, M.J.; Sabel, C.F. *The second industrial divide: possibilities for prosperity*. New York: Basic Books, 1984.

Poell, R.; Chivers, G. Experiences of HRD consultants in supporting organisational learning. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003 (Cedefop Reference series).

Polanyi, M. *Personal knowledge: towards a post-critical philosophy*. London: Routledge and Kegan Paul, 1962.

Pornschlegel, H. (ed.) *Research and development in work and technology*. Heidelberg: Physica Verlag. 1992.

Porter, M.E. *The competitive advantage of nations*. New York: Free Press, 1990.

Pralahad, C.K.; Hamel, G. The core competence of the organisation. *Harward Business Review*, 1990, Vol.68, No.30.

Putnam, R.D. *Bowling alone. the collapse and revival of American community*. New York: Simon Schuster, 2000.

Putnam, R.D. The prosperous community: social capital and public life. *The American Prospect*, 1993a, Vol. 13, pp. 35-42.

Putnam, R.D. *Making democracy work: civic traditions in modern Italy*. Princeton, New Jersey: Princeton University Press, 1993b.

Rasmussen, L.; Rauner, F. *Industrial cultures and production: understanding competitiveness*. London: Springer Verlag, 1996.

Rauner, F. et al. The social shaping of technology and work: human centred CIM systems. *Artificial Intelligence and Society*, 1988, Vol. 2, No 1, pp. 47-61.

Rauner, F.; Ruth, K. Industrial Cultural determinants for technological developments: skill transfer or power transfer. *AI and Society*, 1989, Vol.3, No.2.

Reed, B.D. Organisational role analysis. *In*: Cooper, C. (ed.) *Developing social skills in managers*. London: Macmillan, 1976.

Reed, B.D.; Palmer, B.W.M. *An introduction to organisational behaviour*. London: The Grubb Institute of Behavioural Studies, 1972.

Reimann, D. Banking on learning - the Deutsche Bank Corporate University. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Revans, R.W. *The origins and growth of action learning*. Bromley: Chartwell Bratt, 1980.

Rice, A.K. *Productivity and social organisation*. London: Tavistock Institute, 1956.

Sambrook, S.; Stewart, J.; Tjepkema, S. The changing role of HRD practitioners in learning-oriented organisations. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Schein, E. *Organizational culture and leadership*. San Francisco: Jossey-Bass, 1992.

Schein, E. On dialogue, culture and organizational learning. *Organizational Dynamics*, 1993, Vol. 22 (2), p.40-51.

Senge, P. *The fifth discipline: the art and practice of the learning organisation*. New York: Doubleday, 1990.

Sennett, P. *The corrosion of character - the personal consequences of working the new capitalism*. New York: W.W. Norton and Company, 1998.

Skule, S.; Reichborn, A.N. *Learning-conductive work: a survey of learning conditions in Norwegian workplaces*. Luxembourg: Office for Official Publications of the European Communities, 2002. (Cedefop Panorama Series; 30)

Snell, R.S. Moral foundation of the learning organisation. *Human Relations*, 2001, Vol. 54(3), p. 319-342.

Stahl, T.; Nyhan, B.; D'Aloja, P. *The learning organisation - a vision for human resource development*. Brussels: Eurotecnet, 1993.

Stamps, D. Learning ecologies. *Training 35*, No.1 (January 1998); p. 32-36 (EJ 557 818).

Ter Horst, H. et al. HRD models and variations in learning organisations in the US, Japan and Europe. *In*: Lasonen, J. et al. (eds) *Conference proceedings: network on vocational education and training research (VETNET) - European conference on educational research '99*. Institute for educational research, Jyväskylä, University of Jyväskylä, 1999.

Therborn, G. Space and learning. *In*: Nóvoa, A.; Lawn, M. (eds.) *Fabricating Europe: the formation of an education space*. Dordeecht: Kluwer, 2002.

Tomassini, M. The learning organisation and HRD in the knowledge economy. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Tomassini, M. Theories of knowledge development within organisations - a preliminary overview. *In*: Nyhan, B. (ed.) *Taking steps towards the knowledge society: reflections on the process of knowledge development*. Luxembourg: Office for Official Publications of the European Communities, 2002 (Cedefop Reference Series; 35).

Trompenaar, F. *Riding the wave of culture - understanding cultural diversity in business*. London: Economic Books, 1993.

Tsoukas, H. The firm as a distributed knowledge system: a constructionist approach. *Strategic Management Journal*, 1996, Vol. 17 (Winter Special Issue), p.11-25.

Van Eijnatten, F.M. *The paradigm that changed the work place*. Assen: Van Gorcum, 1993.

Van Beinum, H.; van der Vlist, J. Developments in Holland: an overview. *In*: Nijhof, W. *Working on the Quality of Working Life*. Leiden, 1979.

Van Woerkom, M.; Nijhof, W.; Nieuwenhuis, L. The relationship between reflection and learning - experiences within Dutch companies. *In*: Nyhan, B.; Kelleher, M.; Cressey, P.; Poell, R. (eds.). *Facing up to the learning organisation challenge - Volume II: selected European writings*. Luxembourg: Office for Official Publications of the European Communities, 2003. (Cedefop Reference series)

Victor, B.; Stephens, C. The dark side of the new organizational forms: an editorial essay. *Organization Science*, 1994, Vol. 5 (4), p.479-482.

Vygotsky, L.S. *Mind in society: the development of higher psychological processes*. Cambridge: Harvard University Press, 1978.

Vygotsky, L.S. *Thinking and speech*. New York: Plenum, 1987.

Weick, K. Organisational design: organisations as self-designing systems. *Organisational Dynamics*, 1977, Vol. 6, 2, autumn, p. 30-436.

Weick, K. Sense-making organisations. Beverly Hills, LA: Sage, 1995.

Wenger, E. *Communties of practice: learning, meaning and identity*. Cambridge: Cambridge University Press, 1998.

Wobbe, W. Anthropocentric production systems: a strategic issue for Europe. *APS research Paper Series, Vol. 1, Fast, FOP 245*, Commission of the European Communities. Brussels, 1991.

Wobbe, W. Human work in advanced technical environments and anthropocentric production systems in the context of the European community monitor/Fast programme. *In*: Pornschlegel, H. (ed.) *Research and development in work and technology*. Heidelberg: Springer Verlag, 1992.

Wobbe, W. Overview and predicted trends towards the flexible factory. *In*: Wobbe, W. and Brödner, P. (eds.) *New technology and manufacturing management - strategic choices for flexible production systems*. Chichester, West Sussex: John Wiley, 1990.

Womack, J.P.; Jones, D.I.; Roos, D. *The machine that changed the world*. New York: Maxwell Macmillian International, 1990.

Zuboff, S. *In the age of the smart machines: the future of work and power*. New York: Basic Books, 1988.

338

ANNEX 1

Summaries of individual chapters in Volume II – Facing up to the learning organisation challenge – selected European writings

PART ONE The meaning of the learning organisation

There are six chapters in part one. These examine the conceptual frameworks and dilemmas that are at the heart of the notion of the learning organisation.

CHAPTER 1 **Developmental learning – a condition for organisational learning**

by Per-Erik Ellström

Per-Erik Ellström elucidates on the learning taking place in an organisation by using a conceptual framework developed within the field of 'cognitive action theory'. This framework depicts organisational learning as an interaction between individuals (learners), a stream of actions (learning tasks) and a context (learning environment). He highlights the importance of 'developmental learning' as a prerequisite for organisational learning. Developmental learning takes place when the work tasks are sufficiently challenging (complex) to stretch the potential of workers/learners. However, he points out that developmental learning can only take place if the work environment is such that as well as providing challenging and developmental work tasks, workers receive feedback on their work and are supported to reflect on and learn from it. Ellström distinguishes 'developmental learning' from 'adaptive learning'. The latter has to do with lower level routine learning. However, this does not mean that adaptive learning is unimportant but indeed, is essential for carrying out one's work.

(An earlier version of this paper was written in the framework of the European Union research network project – 'Forum for European research in vocational education and training'.)

CHAPTER 2 **Challenges and open questions raised by the concept of the learning organisation**
by Martin Fischer

Martin Fischer discusses German debates on the learning organisation. He criticises the manner in which German managers talk about the learning organisation in a very loose and sometimes almost meaningless way. He also raises the criticism of those who argue that organisational learning has no reality apart from learning individuals. Continuing in his critical vein, Fischer asserts that the empirical evidence needed to validate the learning organisation concept does not yet exist. He goes on to identify criteria for a learning organisation which could provide an agenda for empirical research. In the final section of this chapter, Fischer discusses ways in which the conflicts between learning organisation/HRD thinking and classical German vocational education and training thinking could be addressed.

(This paper is a revised version of the one written in the framework of the European Union research network project – 'Forum for European Research in vocational education and training').

CHAPTER 3 **How organisations learn - a theory of learning and organisational development**
by Hans-Werner Franz

Hans-Werner Franz states that the overall objective of learning is to become capable of surviving under changing or unstable environmental conditions through intentionally transforming one's organisation. Hence learning is an improvement in the organisation's potential to address future challenges, which may or may not be known. Central to his argument is the need to transcend control and command cultures and create environments in which individual workers 'own' both the processes and the results of quality improvement initiatives. In his 'general theory of quality' Franz explores the theories of both learning and organisation and identifies six key processes that any organisation must fulfil in order to survive.

(This paper is a revised version of the one written in the framework of the European Union research network project – 'Forum for European research in vocational education and training').

CHAPTER 4 **Competing perspectives on workplace learning and the learning organisation**
by Alan Brown and Ewart Keep

Alan Brown and Ewart Keep criticise the normative assumptions in the learning organisation literature which imply that the future patterns of learning within workplace organisations are pre-determined. They seek to place human agency and strategic choice in the forefront of debates on organisation and workplace change. They are concerned that ideas about the learning organisation appear to have stemmed predominantly from business-school authors. Thus, they wish to engage with other academic disciplines in order to explore more fully the broader literature on workplace learning. For these authors the learning organisation concept has the advantage of placing learning at the heart of debates about organisational strategies for change yet is also potentially narrow in its focus on organisational development and/or work-related skills. They propose that more emphasis should be placed on the concept of 'learning networks' where individuals draw on a range of people and resources, inside and outside of their own organisations, to support their learning. Such an emphasis, they argue, will sharpen the focus on transformative and lifelong learning.

(This paper is a revised version of the one written in the framework of the European Union research network project – 'Forum for European Research in vocational education and training').

CHAPTER 5 **The conundrum of the learning organisation – instrumental and emancipatory theories of learning**
by Peter Cressey & Michael Kelleher

The learning organisation is a concept which organisational actors interpret and react to in very different ways. The authors draw on three distinct sets of literature to explore how researchers and practitioners can develop contrasting meanings of organisational learning and the learning organisation concept. Making the contrast between lean production thinking and socio-technical theory, they argue that the reason for the different meanings lies in the epistemological roots of the actors. On the one hand, actors working within a positivistic tradition look for evidence for the existence of a learning organisation. Where is it? Show it to me? What does it look like? Give me prescriptions and definable guides to action? In contrast, other actors view the learning organisation not as a reality to be touched, felt and seen but as an emancipatory concept enabling organisations to struggle with the

101

increasingly rapid nature of change and its consequences. Thus, more humanistic and people-centred values come into play that contrast with the scientific management approach that views humans as the source of error. Cressey and Kelleher's own approach lies more firmly rooted in the humanistic tradition, yet they recognise the force of the critiques from the positivistic camp. Thus, they state that it is important to engage with these holding traditional scientific management views about organisations.

(This paper is a revised version of the one written in the framework of the European Union research network project – 'Forum for European research in vocational education and training').

PART TWO Organisational learning realities in different contexts

There are six chapters in part two, presenting or reporting on company case studies.

CHAPTER 6 **Social dialogue and organisational learning**

by Michael Kelleher & Peter Cressey

This chapter draws on a study of twelve companies from the automotive, banking and telecommunication sectors in four countries: Germany, Italy, Sweden and the United Kingdom. The case studies sought to explore the role of the social partners and the part that social dialogue played in the learning and development process within enterprises. The study found that the issue and centrality of learning has increased and become a key strategic element within companies. Trade unions acknowledged the changing competitive environments in which they and the enterprises were operating, and recognise the need for strategies for social dialogue based on added-value rather than power re-distribution. This has demanded a refashioning of the formal structures for social dialogue that go beyond institutional or committee-based structures and processes. The results show employers and trade unions establishing new forms of relationships to underpin organisational transformations.

(This paper is based on the European Union funded Leonardo da Vinci Programme project 'Partnership and Investment in Europe – the role of social dialogue in human resource development').([41])

([41]) A version of this chapter was published in the European Vocational Training Journal. See Kelleher, M; Cressey, P. The active roles of learning and social dialogue for organisational change. *European Vocational Training Journal*, No. 21, September-December 2000/111, pp.41-48.

CHAPTER 7 **Implementing organisational change in British Telecom**
by Peter Cressey

Peter Cressey looks at the turbulent environment in which social partners in the telecommunications sector are searching for new forms of relationships to survive in a fast changing marketplace. British Telecom (BT) appears driven by constant and sustained external change of such a force that the company now bears little relation to its predecessor of a decade ago. For both management and trade unions there is a recognition that social dialogue is not only a 'good times' option but is vital in a sector that has had to completely revamp its business strategies and its staff skills base. This chapter highlights the centrality of learning, training and competence development strategies. BT has had to recreate itself, and in so doing, change the whole gamut of policies and practices – management style, management approach, values and expectations. In a similar fashion, the largest union has made an equivalent journey but one that might be seen as more radical, changing from reactive to proactive strategies and from operational fire-fighting to strategic interventions.

(This paper is a revised version of one that was written in the framework of the European Union funded Leonardo da Vinci project 'Partnership and Investment in Europe – the role of social dialogue in human resource development').

CHAPTER 8 **Banking on learning – the Deutsche Bank Corporate University**
by Daniela Reimann

Daniela Reimann presents a case study of Deutsche Bank in which she describes the company's attempts to develop learning opportunities through the use of multi-media technologies. The Corporate University and the electronic media it created were not merely bolted on to existing training initiatives but were part of a broader focus on developing a new organisational learning culture. This was the bank's response to the changes in its operational environments and the need to develop a more flexible and mobile staff base. The introduction of such changes, however, raised many industrial relations issues relating to terms and conditions of employment. Indeed, the trade union recognised that the emergence of the bank's corporate university had implications for its members that went beyond those of training and learning. This case shows how large companies in Germany are moving outside of the traditional boundaries of the German dual VET system.

(This paper is a revised version of one that was written in the framework of the European Union funded Leonardo da Vinci project 'Partnership and Investment in Europe – the role of social dialogue in human resource development').

CHAPTER 9 **Stimulating a thirst for learning – the case of the Guinness Dublin brewery**
by John Findlater

John Findlater discusses the efforts by the Guinness Brewery in Dublin to implement an organisational strategy that entailed upgrading the skills of all employees. The case underwrites the importance of developing a culture in which change is facilitated through enhancing peoples' ability to learn. Findlater describes how Guinness, starting off from a rather traditional and paternalistic approach to employment, giving the brewery its reputation as a 'good employer', adopted new organisational strategies. The case of Guinness demonstrates that enterprises have to develop internal and external alliances that support the implementation of learning for change. Such alliances can be formal through contractual relationships but also informal through participating in networks and international European programmes.

(This paper draws on the project report of an European Union funded 'Adapt' project dealing with the development of employment policies to respond to industrial change).

CHAPTER 10 **Learning to network – the transformation of a social research institute**
by Hans-Werner Franz

Hans-Werner Franz describes the process through which a research institution organised along traditional management lines transformed itself into a network-based organisation to deal with its changing market environment. As a publicly accountable research institution, *Sozial-forschungsstelle* (*sfs*) focused on human resource and organisational development in order to support the regeneration of the region around Dortmund. Believing that it could act as a catalyst for change in the region, the institute found that it was impossible to be a change agent without first embracing change itself. In offering a personal reflection as a senior manager

106

within *sfs*, Franz acknowledges that such changes mean uncomfortable learning processes that continue indefinitely. The chapter demonstrates that organisations seeking to have a strong customer focus will inevitably face profound challenges to the way they work and the assumptions behind their strategies.

(This paper is a revised version of the one written in the framework of the European Union research network project - 'Forum for European research in vocational education and training').

CHAPTER 11 **The relationship between critical reflection and learning – experiences within Dutch companies**
by Marianne van Woerkom, Wim J. Nijhof & Loek Nieuwenhuis

Marianne van Woerkom and her colleagues describe research undertaken in seven Dutch organisations regarding informal on-the-job learning. The authors start with the hypothesis that informal on-the-job learning serves the objective of the development of 'flexible competence'; that is, the competence to function effectively in one's job combined with the ability to cope effectively with change. However, their research results show that flexible competence is not an effective measure of output of informal on-the-job learning because it only takes into account the employer's view of an 'ideal employee'. Instead, the authors propose the concept of 'critical reflection' with its component parts – reflecting on oneself in relation to the job; learning from mistakes; challenging group-think; asking for feedback; experimenting and sharing knowledge – is a more appropriate concept.

(This paper is a revised version of the one written in the framework of the European Union research network project – 'Forum for European research in vocational education and training').

PART THREE Human resource development in support of organisational learning

Part three consists of four chapters. The first chapter, which gives a general overview, is followed by two chapters reporting on empirical studies. The concluding chapter discusses future challenges for HRD from a European perspective.

CHAPTER 12 **The learning organisation and HRD in the knowledge economy**

by Massimo Tomassini

Massimo Tomassini begins by outlining the 'classical' humanistic and managerial perspectives of the learning organisation. He argues that such perspectives need to be challenged in an era when the major tasks for HRD professionals are less related to managing workforces and have more to do with managing knowledge. This chapter draws on the work of Nonaka and Konno (1998) outlining new thinking about the learning organisation. Based on Nonaka and Konno's concept of the 'space of emerging relations,' Tomassini argues for a new perspective on the learning organisation, viewing the concept as an ensemble of spaces for the diffusion of knowledge management and knowledge development. He proposes four 'spaces of emerging relations' within organisations that can be defined in terms of 'care of people', 'development of communities', 'appropriate use of ICT' and the 'management of competences'. Tomassini proposes that each of these interlocking areas represents an enlarged field for further research.

(This paper is a revised version of the one written in the framework of the European Union research network project – 'Forum for European research in vocational education and training').

CHAPTER 13 **The changing role of HRD practitioners in learning-oriented organisations**
by Sally Sambrook, Jim Stewart & Saskia Tjepkema

This chapter reports on a study across seven European countries on the changing nature of HRD roles in learning-oriented organisations. Twenty-eight case studies were undertaken as well as a survey of 140 organisations across the seven countries. The study showed, among other things, that the development of human resources is moving from being the sole responsibility of HRD professionals with line managers increasingly becoming responsible for this area. Increasingly, this places a greater emphasis on HRD professionals to develop internal consultancy roles and competences. The study found that the major reason for adopting a learning orientation was to enhance competitiveness. They conclude that there is a need for HRD professionals to clarify their new roles, to develop new skills and to clearly demonstrate their value and contribution to organisational success.

(This paper is based on the project report on the European Union research project – Role of HRD in learning organisation – European concepts and practices').

CHAPTER 14 **Experiences of HRD consultants in supporting organisational learning**
by Rob Poell & Geoff Chivers

Rob Poell and Geoff Chivers present the findings of an exploratory study of a sample of HRD professionals in the UK. While recognising the limitations of their small sample, they found that the strongest visible trend was one towards a standardisation of learning arrangements. Organisational consultancy appears to be a prevalent mode of training delivery, but is overshadowed, however, by a focus on facilitating individual development. There is a strong awareness among training consultants about the importance of learning and development beyond formal training but, in practice, informal learning and learning from daily work experiences are relatively underaddressed issues. The authors discuss some of the difficulties in translating the concept of the learning organisation into organisational learning practices.

(This paper was written in the framework of the European Union Marie Curie 'researcher mobility programme').

CHAPTER 15 **Human resource development in Europe – at the crossroads**

by Barry Nyhan

This paper examines the concept and practice of Human Resource Development (HRD) from a European perspective. It locates HRD, which is seen to refer specifically to learning, training and development activities in companies, within the context of underlying 'people-management' theories (Human Resource Management - HRM) or what can be termed 'industrial or working-life cultures'. The paper contrasts two theories of HRD derived from two different ways of conceiving Human Resource Management. The first of these, which is seen to have much in common with classical European industrial and working-life values, is the 'humanistic-developmental' tradition. The competing model, which it is argued is growing in prominence in Europe, is characterised by an 'instrumental-utilitarian' way of looking at human resources. The paper concludes, that at the present time, HRD policy makers in Europe are caught up in a debate about these two approaches. In fact, Europe can be seen to be at the crossroads, searching for a signpost leading it to human resource management and development policies that promote lifelong learning for everybody at work with the view to building a strong and sustainable economy.

(This is a revised version of a paper written for the 2001 Cedefop Research Report) ([42]).

([42]) A version of this chapter was published in the Cedefop Research Report 2001. See Nyhan, B. Human resource development in Europe - at the crossroads. In: Descy, P.; Tessaring, M. (eds.) *Training in Europe: second report on vocational training research in Europe 2000 - background report.* Volume 2, pp.233-248, 2001.

ANNEX 2

The learning organisation and the learning economy

In this annex, some exploratory and very much preliminary ideas about how the learning organisation interpretative framework outlined in Chapter 3 could be used to understand what is at stake in the construction the wider 'learning economy'. It is suggested that a magnified version of the single learning organisation framework - see Figure 10 - could be used as a kind of heuristic tool to shed light on the nature of the dialogical and interconnected learning that needs to take place in the wider context of the learning economy. Figure 10, attempts to project the 'micro' learning dynamics of a single organisation, as presented in the earlier chapters, onto a 'macro' multi-organisational societal screen of the learning economy. The image of a fractal can be evoked as a metaphor to explore how 'the part' - an individual organisation - can be envisaged as a miniature replica of 'the whole' comprised of a multitude of interconnected organisations. The vertical axis of Figure 10 portrays the need for individual organisations to move away from a too-individualistic and isolated strategy and form 'learning networks' with other organisations (enterprises, research and training institutions) in a spirit of what can be termed 'cooperative-competition' (see Best, 1990). This accords with the notion that innovation and knowledge development takes place though an interactive, mutual knowledge exchanging and learning process (see Gibbons et al., 1994; OECD, 2000; and also Nyhan, 2002).

The horizontal axis depicts the dynamic interdependency between the two dimensions of 'social partnership' that have to be addressed in the European social dialogue arena - which it is argued can be configured as a learning arena. On the left-hand side, one has the task of devising and formulating new codified agreements, while on the right-hand side there is the more complex issue of continuously sustaining or recreating trust and tacit understandings between the social partners. In other words, the social dialogue process entails both a tangible formal and institutional dimension but also intangible elements that have to do with subjective shared aims and values. This two-sided entity needs to be sustained on the one hand through building institutional frameworks – in the form of legislation, pacts, formal agreements and structures – but, on the other hand, requires mutual understanding and trust to be fostered. The latter provides the ethical,

political and social foundation for robust and sustainable partnerships in good times and bad.

Figure 10. **The learning organisation framework and the European learning economy**

Networked organisations
'cooperative-competition' between organisations
Shared European aims and meanings
Social partnership based on common (often tacit) understandings and trust (social capital)
Learning economy arena
Social partnership based on codified agreements
European institutional frameworks
Organisations with their own separate goals
Individual organisations

BEST COPY AVAILABLE

Cedefop (European Centre for the Development of Vocational Training)

Facing up to the learning organisation challenge

Key issues from a European perspective
VOLUME I

Barry Nyhan
Peter Cressey
Massimo Tomassini
Michael Kelleher
Rob Poell

Luxembourg:
Office for Official Publications of the European Communities

2003 – VI, 105 pp. – 17.5 x 25 cm

(Cedefop Reference series; 41-I – ISSN 1608-7089)

ISBN 92-896-0203-1

Cat. No: TI-20-02-001-EN-C

Price (excluding VAT) in Luxembourg: EUR 40 (Volumes I and II)

No of publication: 3028 EN

111

M 05 16 TI-20-02-001-EN-C

European goals related to 'lifelong learning' and the development of a 'knowledge-based society' can only be attained if the organisations in which people work are also organisations in which they learn. This means that work organisations must also become learning organisations. Thus, people are learning from their work - they are learning as they work.

The aim is to build organisations that are continuously learning how to be more productive, while at the same time, individual members of these organisations are developing themselves through their work.

This book, the first of a two-volume publication, provides an overview of the main points emerging from a number of recent European research and development projects related to the topic of the learning organisation. It discusses the issues, dilemmas and challenges arising from these research projects and identifies new policies and practices to promote learning at work.

Barry Nyhan, Peter Cressey,
Massimo Tomassini, Michael Kelleher,
Rob Poell

EN

Facing up to the learning organisation challenge

VOLUME I
Key issues from a European perspective

CEDEFOP

European Centre for the
Development of Vocational Training

Europe 123, GR-570 01 Thessaloniki (Pylea)
Postal address: PO Box 22427, GR-551 02 Thessaloniki
Tel. (30) 23 10 49 01 11, Fax (30) 23 10 49 00 20
E-mail: info@cedefop.eu.int
Homepage: www.cedefop.eu.int
Interactive website: www.trainingvillage.gr

Price (excluding VAT) in Luxembourg: EUR 40 (Volumes I and II) 3028 EN

Publications Office
Publications.eu.int

ISBN 92-896-0203-1

BEST COPY AVAILABLE 112

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

Reproduction Basis

X	This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.
	This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").